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Department of  
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Economics  
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# Tobacco

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# OUTLOOK & SITUATION

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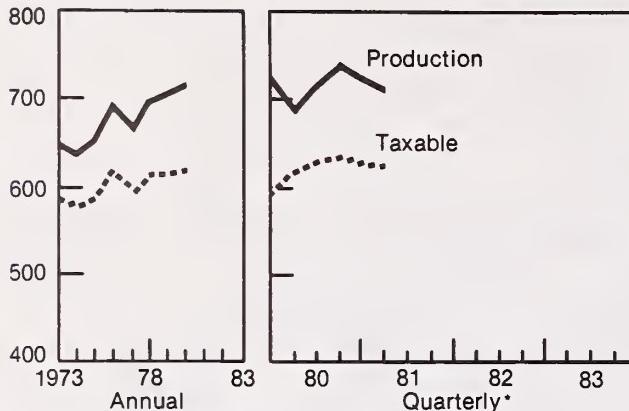
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**Tobacco Outlets**

Trends in U.S. Manufactured Products and Exports

**Cigarettes Production and Taxable Removals**

Bil.



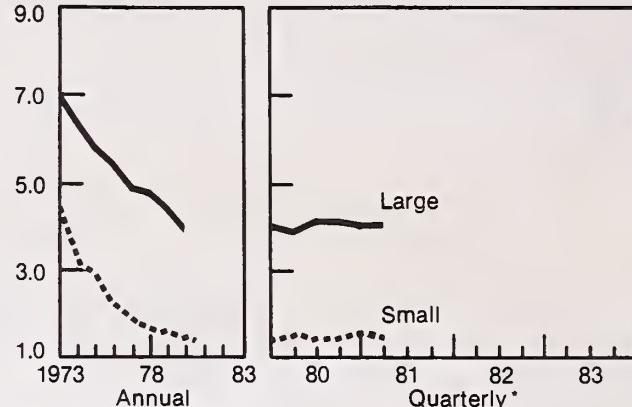
Last quarter shown estimated.

\*Seasonally adjusted at annual rates.

Neg. ESS 229-81(6)

**Cigars and Cigarillos Production**

Bil.



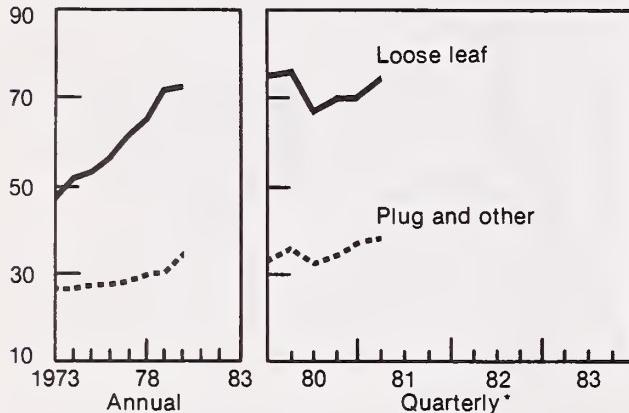
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\*Seasonally adjusted at annual rates.

Neg. ESS 229-81(6)

**Chewing Production**

Mil. lb.



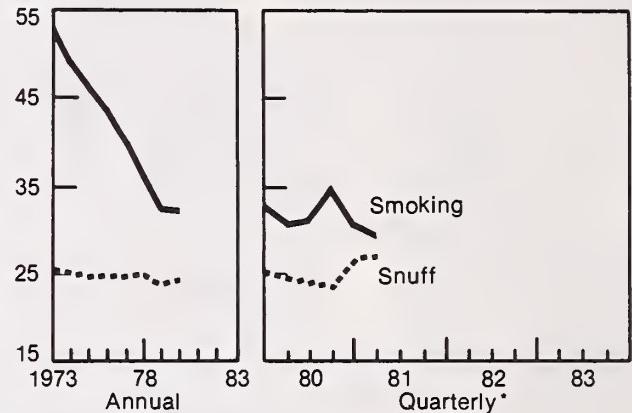
Last quarter shown estimated.

\*Seasonally adjusted at annual rates.

Neg. ESS 229-81(6)

**Smoking and Snuff Production**

Mil. lb.



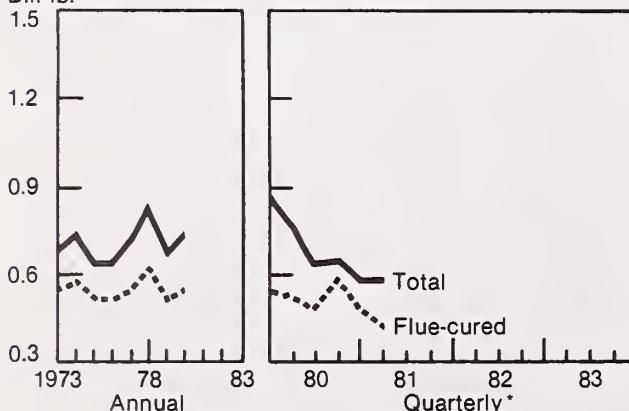
Last quarter shown estimated.

\*Seasonally adjusted at annual rates.

Neg. ESS 229-81(6)

**Leaf Exports, Farm-Sales Weight**

Bil. lb.



Last quarter shown estimated.

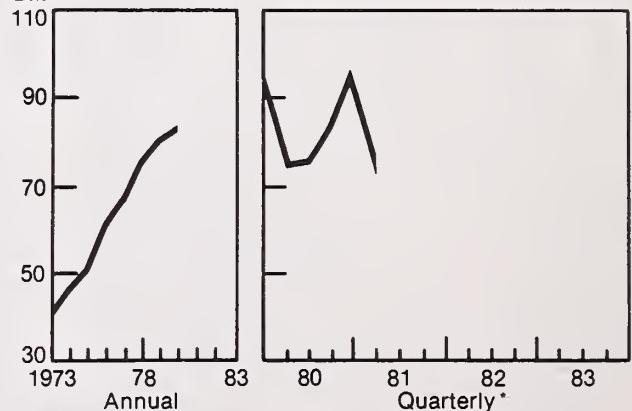
\*Seasonally adjusted at annual rates.

USDA

Neg. ESS 229-81(6)

**Cigarette Exports**

Bil.



Last quarter shown estimated.

\*Seasonally adjusted at annual rates.

Neg. ESS 229-81(6)

# In This Issue

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	<i>Page</i>
Summary .....	3
Tobacco Products .....	5
U.S. Exports and Imports .....	8
Tobacco Leaf Situation and Outlook .....	11
Statistical Summary .....	26
List of Tables .....	28

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Economics, Statistics, and Cooperatives Service  
U.S. Department of Agriculture  
Washington, D.C. 20250

## Summary

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Total use of U.S. tobacco in 1980/81 will likely decline because of both lower exports and domestic use. Still total disappearance may hold slightly above 1980's weather-reduced crop, and the carryover (July 1 for flue-cured and October 1 for burley and other kinds) will stay close to last year's 3.3 billion pounds.

Cigarette sales have gained because of a rise in the adult population. As inventory increases, reflecting more, low-tar, low nicotine brands, output for the year ending June 30 may rise about 3 percent above the 697 billion cigarettes produced in 1979/80. Also a modest gain in cigarette production is expected in the second half of 1981. Output of smokeless products (snuff and chewing tobacco) is steady, but cigar and smoking tobacco production continues below a year earlier.

Unmanufactured tobacco exports during July 1980-April 1981 were 13 percent below a year earlier (farm weight). With a short crop and reduced quality and overseas inventory adjustments, shipments for 1980/81 will drop below the 617 million pounds (740 million pounds, farm sales weight) of the previous year.

Based on planned acreage and average yields, the 1981 crop should total 6 percent more than a year earlier. With a 12-percent increase in the support level, auction prices will likely average higher than in 1980. Overseas purchases could rise from last year's low, if the U.S. crop size reaches its projected size and the quality is above average.

Flue-cured tobacco exports in the first ten months of 1980/81 were below a year earlier. Most Asian destina-

tions reduced imports because of a stock increase the previous year. For the marketing year, about 370 million pounds (490 million, farm sales weight) will be exported, 5 percent less than 1979/80. Because of short crops the previous two years, burley exports for fiscal 1981 will likely fall short of last year's record 94 million pounds (133 million, farm sales weight).

During July 1980-April 1981, imports of unmanufactured tobacco and customs category 170.80 (tobacco manufactured or not manufactured, not specifically provided for) were 345 million pounds (declared weight), up 7-percent from a year earlier. Imports were mostly cigarette and machine-threshed leaf. U.S. manufacturers' stocks of imported cigarette tobacco on April 1 were about the same as a year earlier, while stocks of foreign-grown cigar tobacco decreased 5 percent. The U.S. International Trade Commission (ITC) is investigating the need for import restrictions on flue-cured tobacco and will hold a public hearing on June 24.

Despite rising cigarette output, manufacturers' use of less U.S. tobacco and more imports should pull domestic flue-cured use in 1980/81 slightly below last season. And with smaller exports, total disappearance of flue-cured tobacco will fall 4 percent below the last year's 1.08 billion pounds. Disappearance remains below 1980's crop, so the July 1 carryover will rise from last year's 1.96 billion pounds.

March planting intentions point to 4 percent less flue-cured acreage than last year. With average growing conditions, the crop could be a little smaller than last sea-

son. For the new season, total supply (estimated carryover plus the projected 1981 crop) may stay about the same. Unless foreign purchases expand, an ample carryover and higher interest rates may mean smaller trade purchases from the 1981 crop and larger loan receipts. Prices for many grades will likely hover just above loan rates. The Crop Production Report, scheduled for July 10, will include a flue-cured production forecast based on surveys conducted around July 1.

Opening dates for the flue-cured auctions will be recommended to USDA on June 26, and sales may start in mid-July. Also, the grower designation provisions will remain in effect. To receive price support, growers must plant within the acreage allotment and certify that they didn't use DDT, TDE, toxaphene, or endrin on their crops.

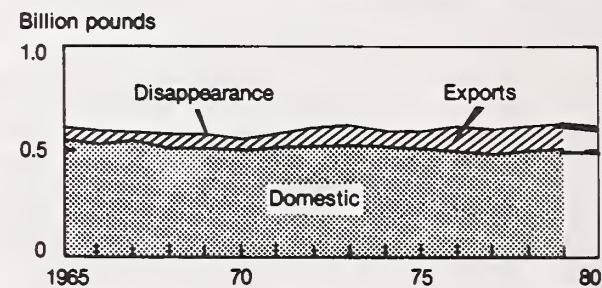
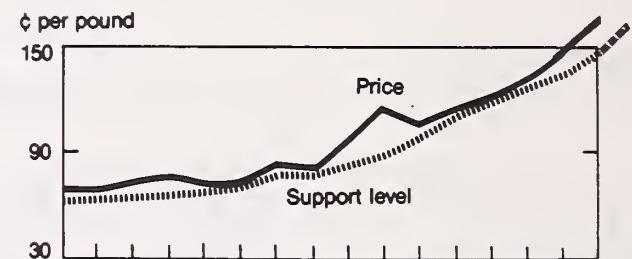
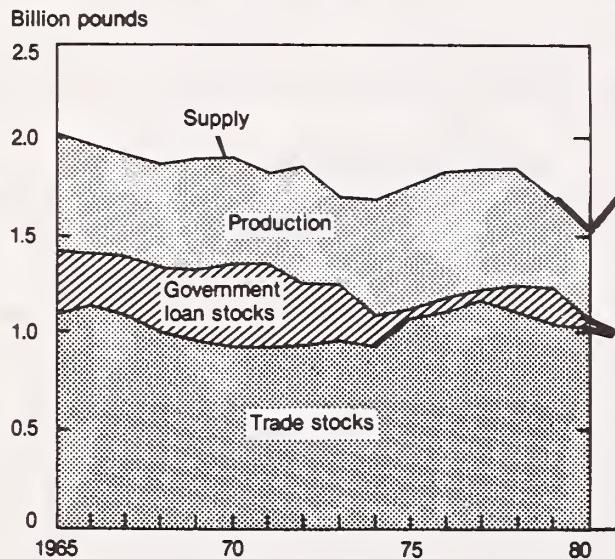
With declining exports, burley tobacco use in 1980/81 may total a little below last season's 632 million pounds but still well above marketings. So, the October 1 car-

ryover will likely fall from last year's 1.03 billion pounds. With a larger farm poundage quota and average yields, growers are expected to produce and market a crop substantially above a year earlier, replenishing the dwindling supplies.

Auction markets for 1980 Maryland tobacco began March 31 and ended May 14. Prices averaged a record \$1.70 a pound, 30 cents more than a year earlier. Disappearance of Maryland tobacco is falling below last season.

Despite large carryovers, use of fire-cured and dark air-cured tobaccos is decreasing from last year. For dark air-cured, supplies for next season will likely be slightly higher than 1980/81 but they should be lower for fire-cured. Domestic use of cigar leaf is stabilizing. However, estimated use for cigar types falls short of last year's crop, leaving larger carryovers for 1981/82. But, the smaller output projected for 1981 could maintain total supplies.

#### Burley Tobacco: Supply, Price, Use



Trade stocks include manufacturers' and dealers'. Crop year beginning October 1. 1979 preliminary, 1980 forecast.

# Tobacco Situation

## TOBACCO PRODUCTS

### Rising U.S. Cigarette Use in 1980/81

Cigarette consumption remains buoyant due to the larger adult population and proliferation of low-tar, low-nicotine brands. U.S. manufacturers shipped about 5 percent more cigarettes for domestic use during July 1980-March 1981 than a year earlier. Because of an inventory buildup, U.S. consumption in the year ending June 30 may have gained by 2 percent from last year's 622 billion cigarettes (table 1). Domestic cigarette use is expected to continue upward during July-December 1981.

Total output in 1980/81 is estimated to reach 720 billion cigarettes, about 3 percent above last year. This includes about 94 billion cigarettes for export and overseas shipments. Through April, exports remained about the same as a year earlier. Continued growth in preference for U.S. cigarettes has occurred in the European Community, even though a number of areas have shifted to locally produced cigarettes under license arrangements (table 2).

Manufacturers raised cigarette prices 3.5 percent in April. The previous increase was in November 1980. As estimated by State tax data, unit cigarette sales during January-March 1981 were up 1.4 percent from a year earlier. State tax rates have changed little, even though bills to increase taxes are being considered in North Carolina and several other States.

### Cigar Volume Reduced

During July 1980-March 1981, U.S. cigar consumption totaled 2.9 billion *large cigars* (including cigarillos), 5

percent fewer than the year before. Demand has been declining in low-and medium-price categories for several years. In contrast, demand for higher priced cigars remains strong (table 3).

Production of *small cigars* (those weighing less than 3 pounds per thousand) totaled 1.12 billion in the first three quarters. For the year ending in June, output probably stayed near a year ago (table 4).

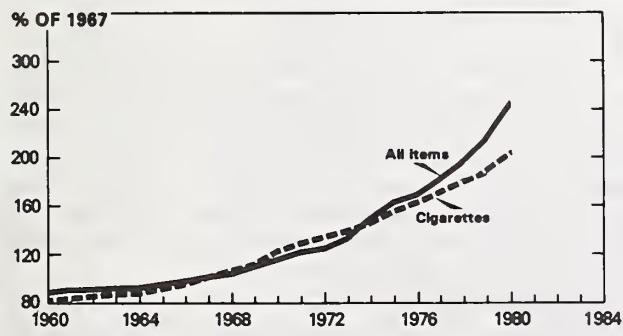
Table 1—U.S. cigarette exports to leading destinations, 1979-81

Country	1979	1980 <sup>1</sup>	January-April <sup>1</sup>	
			1980	1981
Billions				
Belgium-Luxembourg . . . . .	13.7	18.4	5.6	5.5
Hong Kong . . . . .	6.3	7.6	2.3	2.7
United Arab Emirates . . . . .	5.9	4.4	2.8	1.6
Netherlands				
Antilles . . . . .	4.4	4.0	1.2	1.8
Saudi Arabia . . . . .	4.3	4.2	1.4	1.9
Japan . . . . .	3.7	3.6	1.1	1.6
Kuwait . . . . .	3.7	3.6	1.5	.7
Spain . . . . .	3.6	2.4	1.1	.3
Canary Islands . . . . .	2.1	3.2	1.3	1.2
Columbia . . . . .	1.5	2.4	1.2	.6
Other . . . . .	28.5	28.2	10.4	11.9
Total . . . . .	79.7	82.0	29.9	29.8

<sup>1</sup> Subject to revision.

Compiled from publications and records of the Bureau of the Census.

### CONSUMER PRICE INDEX AND CONSUMER PRICES



### CIGARETTES

Low-Tar Market Share<sup>a</sup>

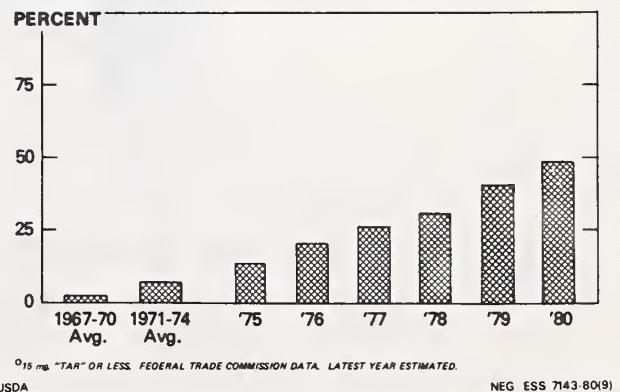


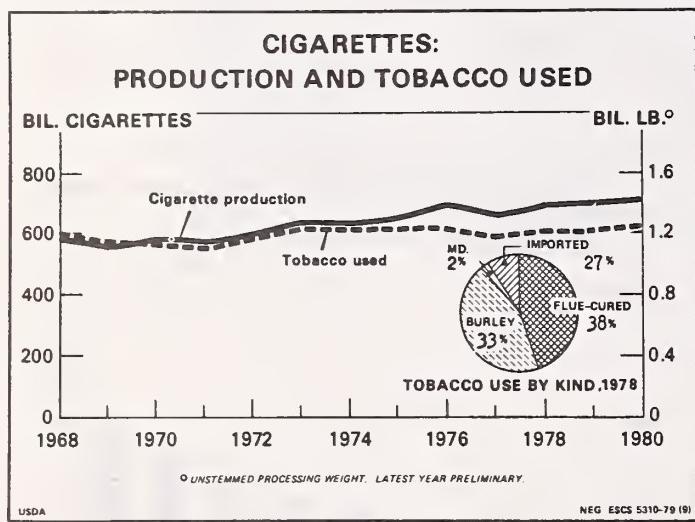
Table 2 -- Cigarettes: U.S. output, removals, and consumption, 1970-81

Year	Output	Removals						Estimated Overseas Shipments 1/	Inventory of forces 2/	Consump- tion 3/	Total U.S.				
		Tax-exempt			: Estimated:										
		Total	Exports	Shipments	Overseas	inventory:	consump-								
<u>Billions</u>															
1970	583.2	532.8	51.2	29.2	3.7	18.4	14.7			536.5					
1971	576.4	528.9	49.2	31.8	2.7	14.7	-11.4			555.1					
1972	599.1	551.0	49.0	34.6	2.1	12.3	-3.3			566.8					
1973	644.2	590.3	55.9	41.5	2.0	12.4	13.1			589.7					
1974	635.0	576.2	59.2	46.9	1.9	10.4	-12.1			599.0					
1975	651.2	588.3	62.3	50.2	1.5	10.6	-7.7			607.2					
1976	693.4	617.9	72.1	61.4	1.9	8.8	13.5			613.5					
1977	665.9	592.0	78.1	66.8	1.1	10.2	-14.4			617.0					
1978	695.9	614.2	85.1	74.4	1.2	9.6	8.2			616.0					
1979	704.4	614.0	93.8	79.7	1.1	13.0	7.2			620.0					
1980 4/	714.2	620.5	94.2	82.0	1.0	11.2	2.3			630.0					
Year ending June 30 --															
1971	585.1	539.6	47.5	29.0	3.2	15.2	10.9			544.0					
1972	592.6	542.6	50.2	32.8	2.2	15.2	-8.5			566.4					
1973	615.6	562.7	52.2	38.3	2.3	11.6	-2.2			576.8					
1974	652.0	594.9	59.1	44.9	2.0	12.2	12.2			595.0					
1975	626.8	570.3	57.4	46.6	1.7	9.1	-21.7			601.0					
1976	688.2	619.1	69.8	58.2	1.9	9.6	14.0			615.0					
1977	671.7	596.3	74.1	62.8	1.3	10.0	-9.7			616.5					
1978	685.4	609.6	81.5	69.4	1.0	11.1	3.0			618.0					
1979	707.0	615.2	92.2	78.8	1.2	12.2	12.1			616.0					
1980 4/	697.0	605.8	93.2	82.9	1.3	9.0	-7.2			622.0					
1981 5/	720.0	627.0	94.0	83.0	1.0	10.0	2.0			635.0					

1/ To Puerto Rico and other U.S. possessions. 2/ Includes ship stores and small tax-exempt categories. 3/ Taxable removals, overseas forces, inventory change and imports (negligible).

4/ Subject to revision. 5/ Estimated.

Compiled from reports of the Bureau of Alcohol, Tobacco, and Firearms and the Bureau of the Census.



According to the annual survey by the Cigar Association of America, sales of cigarillos totaled 1.4 billion in 1980, down 9 percent from 1979. Cigarillos weigh between 3 and 10 pounds per 1,000 less than half of the traditional cigar. Last year, cigarillo sales (based on taxable removals) were 34 percent of the total sales of large cigars and cigarillos, one percent below 1979. The cigarillo share reached a high of 38 percent in 1971.

#### Smoking and Chewing Tobacco

Smoking tobacco production and consumption for the year ending June 30 is showing a continuation of the downtrend that has prevailed since 1970. In the first 9 months of 1980/81, domestic smoking tobacco output remained the same as a year earlier. Imports also declined, and total domestic sales dropped 1 percent to 27 million pounds. Sales of domestic tobacco for both pipes and roll-your-own cigarettes fell.

Smokeless tobacco output in 1980/81 is likely to be about the same as the previous year. Production of loose-leaf tobacco dropped as new brands of fine-cut, plug, and snuff appeared (table 4).

Table 3—Cigars and smoking tobacco: Output, removals, and consumption, 1978–81

Year and item	United States factories			Exports	Total U.S. consumption <u>1/</u>		
	Output	Removals					
		Taxable	Tax-exempt				
Millions							
Large cigars and cigarillos							
1978	3,795	3,621	164	986	99		
1979	3,601	3,353	179	342	107		
1980 <u>2/</u>	3,454	3,291	201	590	119		
Year ending June 30							
1978	3,913	3,752	145	966	100		
1979	3,703	3,478	167	961	99		
1980	3,411	3,300	188	667	106		
1981 <u>3/</u>	3,500	3,240	200	580	130		
Million pounds							
Smoking tobacco							
1978	36.4	35.2	.8	--	3.9		
1979	32.8	32.3	.9	--	7.0		
1980 <u>2/</u>	32.0	30.6	.8	--	6.8		
Year ending June 30							
1978	37.6	37.5	.7	--	.9		
1979	34.3	33.7	.8	--	.9		
1980	31.7	31.2	.9	--	.8		
1981 <u>3/</u>	31.5	29.5	.8	--	.8		

1/ Total removals (or sales) from U.S. factories plus those from Puerto Rico, and imports, minus exports. 2/ Subject to revision. 3/ Estimated.

Compiled from reports of the Bureau of Alcohol, Tobacco, and Firearms, Bureau of the Census, and AIS, USDA.

## U.S. EXPORTS AND IMPORTS

### Exports Decline

For the year ending June 1981, exports of unmanufactured tobacco are estimated below 1979/80's 617 million pounds, export weight, (740 million, farm sales weight). During July 1980-April 1981, shipments decreased 3 percent to 465 million pounds, while the average unit value of exports increased 8 percent. The seasonal peak in shipments to Japan, the European Community (EC), and other European markets came in late 1980 (table 5).

Flue-cured tobacco exports during July-April were down 6 percent. Burley and cigar kinds also declined, but Maryland and fire-cured kinds rose. Virtually all the EC countries took less. Japan took less, partly because of reduced cigarette sales and large domestic production. In the United Kingdom, cigarette sales have been depressed due to recent tax increases. Last year, a sizable shift to Zimbabwe tobacco meant U.K. firms cut sharply their takings of U.S. leaf.

A large U.S. crop this season would boost export prospects for the rest of 1981 above second-half 1980's 283 million pounds. Limited supplies of flue-cured tobacco in Brazil, Zimbabwe, and India suggest a firm demand for U.S. exports in the upcoming marketing year. However, the expansion in sales will be dampened by stabilizing consumption in major developed countries—traditional markets for U.S. leaf. Also, compared with 1980, general economic activity has slowed and interest rates are higher. This spring, the value of the U.S. dollar strengthened relative to a number of foreign currencies, further adding to foreign buyer's costs.

### World Flue-cured Production

#### Virtually Unchanged<sup>1</sup>

The world flue-cured crop is estimated at 4.7 billion pounds (2,148 thousand metric tons) almost the same as the 1980 total. China may make a sizable recovery while

Table 4—Tobacco products: Output, 1979-81

Item	Year ending June 30—		
	1979	1980	1981 <sup>1</sup>
<i>Million pounds</i>			
Chewing tobacco			
Plug . . . . .	15.8	16.2	19.7
Twist . . . . .	2.1	1.9	1.8
Fine-cut . . . . .	12.7	14.2	15.0
Loose leaf . . . . .	66.7	74.5	70.5
Total. . . . .	97.3	106.9	107.0
Snuff. . . . .	24.0	24.4	25.0
Smoking tobacco in bulk (exports). . . . .	17.1	23.8	13.0
<i>Millions</i>			
Small cigars . . . . .	1,458	1,501	1,500

<sup>1</sup> Estimated.

Basic data compiled from reports of the Bureau of Alcohol, Tobacco, and Firearms, and Agricultural Marketing Service, USDA.

several major producers including the United States may decline.

Zimbabwe's tobacco auctions for the 1980/81 crop began on April 22. Early sales averaged \$1.01 a pound, about 70 percent higher than 1980 opening sales. The crop is estimated below the 154-million-pound marketing quota, but quality was much improved from last season. Older crops of around 150 million pounds were carried over, but there have been sizable sales.

Malawi, another important African producer, also saw improved tobacco prices. Auctions began in mid-March, and by mid-May one fourth of the crop was sold for an average of 73 cents a pound, compared with 55 cents at the same stage last season.

Canadian tobacco manufacturers are again negotiating a two-price system for the upcoming Ontario flue-cured crop. A guaranteed minimum of around C\$1.35 to C\$1.40 a pound is expected for the 225-million-pound production target. This year's goal would again include an export target of around 90 to 95 million pounds.

Last year, the Ontario flue-cured crop totaled 214 million pounds, averaging C\$1.365 a pound at auction—well above the guaranteed minimum of C\$1.28. However, output fell below the 226-million-pound target.

India's flue-cured area is expected to increase about 5 percent due to both strong domestic and export demand.

Brazil's flue-cured tobacco production is expected to decline 13 percent, due to excessive rainfall and shifts to other crops. Strong demand and improved quality in 1981 have prompted buyers to raise prices to growers above original contracts.

### Imports Continue to Gain

During July 1980-April 1981, U.S. imports for consumption of unmanufactured tobacco and customs category 170.80 (tobacco manufactured or not manufactured not specifically provided for) were 7 percent above a year earlier (table 6). Cigarette leaf, stems, and cigar tobaccos also gained. Cigarette scrap declined, following the Customs' classification change last year; and the volume apparently has to have shifted to leaf and category 170.80.

Arrivals of tobacco (general imports) for the first three quarters totaled 1 percent more than a year earlier. The categories shifted in a way similar to the consumption series. Scrap declined, but all other major categories gained. By April 1, stocks of foreign-grown cigarette and smoking tobacco in the United States remained virtually the same as a year earlier.

Looking into the need for restrictions on tobacco imports, the ITC rescheduled the public hearing for June 24. At issue is whether certain tobacco imports render ineffective or materially interfere with the USDA price support program for tobacco. An ITC investigation

<sup>1</sup> Summarized from Foreign Agriculture Circular FT 3-81, June 1981, and U.S. attaché' reports.

Table 5--United States exports of unmanufactured tobacco by types and to principal importing countries, 1976-81

(Declared weight)

Type and country	1976	1977	1978	1979	1980	January-April	1981 as a percentage of	
						1980	1981 <sup>1</sup>	1980
Million pounds								
Flue-cured	378.7	411.7	454.8	370.6	391.1	127.5	110.2	86
Burley	67.9	79.1	91.0	32.1	90.8	58.1	29.8	51
Maryland	8.3	7.7	10.6	6.0	7.1	2.1	1.2	56
Fire-cured, Ky. and Tenn.	16.3	19.1	22.6	13.7	14.6	2.9	5.3	187
Virginia fire and sun-cured	2.9	3.6	2.5	3.1	2.9	.5	.2	39
Green River and One Sucker	.3	.1	.7	.2	.1	*	*	133
Black Fat	3.3	2.7	2.6	3.2	2.6	.5	1.0	110
Cigar wrapper	3.8	4.1	3.7	5.3	4.2	1.8	.9	50
Cigar binder	.3	.2	*.	.1	.2	*.	*	194
Cigar filler	.4	.3	.2	.2	*.	*.	.3	--
Perique	.1	.1	*.	.1	.1	*.	*	174
Stems, trimmings and scrap	95.8	99.9	98.9	77.2	77.5	21.7	31.9	174
Other unmanufactured, NEC <sup>2</sup>	--	--	12.4	5.7	7.2	2.9	1.9	65
Total	578.1	628.6	700.0	567.4	598.7	218.1	182.7	84
<b>Country of destination:</b>								
United Kingdom	71.8	46.8	148.8	68.2	32.5	5.3	12.2	129
France	8.3	6.3	9.3	11.5	4.5	1.5	3.1	210
Belgium-Luxembourg	7.5	10.4	16.9	5.4	7.9	2.4	2.6	108
Netherlands	24.7	30.5	34.2	29.3	44.9	17.2	10.4	61
West Germany	73.7	78.9	53.2	67.7	100.7	35.7	17.5	49
Denmark	9.0	16.9	27.1	16.4	17.5	7.6	4.6	60
Ireland	7.7	5.4	5.3	6.9	3.6	1.9	1.5	82
Italy	33.2	40.6	41.0	34.8	30.7	20.5	16.0	78
Total EC	235.9	235.8	336.3	240.2	242.2	92.1	67.9	74
Switzerland	24.4	28.8	26.2	19.3	20.1	9.6	4.4	46
Finland	6.2	5.3	7.8	7.0	9.5	3.3	4.4	117
Norway	5.5	6.0	4.2	5.7	6.8	2.2	.7	30
Sweden	14.1	11.8	17.5	13.7	15.4	4.0	3.6	89
Spain	4.7	5.1	19.9	1.0	28.7	9.9	9.7	98
Thailand	21.8	16.0	18.2	18.8	22.6	22.6	13.4	58
Republic of Korea	7.2	9.8	9.9	13.1	13.6	10.3	*	0
Malaysia	7.3	12.3	10.1	8.4	8.4	1.3	1.5	122
Philippines	13.0	15.4	13.9	11.4	11.5	3.4	4.0	116
Taiwan	12.3	20.6	25.8	41.4	14.1	0	2.8	--
Japan	132.7	135.4	102.3	95.9	82.1	13.2	26.7	203
Australia	10.3	14.2	12.4	12.4	13.1	3.6	4.1	113
New Zealand	4.9	5.0	3.7	4.0	3.7	1.5	1.0	67
Egypt	11.1	26.7	24.5	3.8	17.4	7.1	10.3	144
Canada	1.3	4.7	4.2	4.5	16.9	9.4	.7	8
Canary Islands	5.4	7.6	10.3	4.4	13.0	3.0	5.0	170
Other countries	60.0	68.1	52.8	62.4	59.6	21.1	22.5	103
Total	578.1	628.6	700.0	567.4	598.7	218.1	182.7	84

<sup>1</sup>Preliminary.

<sup>2</sup> New classification, January 1, 1978.

Previously included in manufactured in bulk.

\* Less than 100,000 pounds.

Detail may not add to total due to rounding.

Compiled from publications and records of the Bureau of the Census

Table 6 - U.S. imports of unmanufactured tobacco for consumption and general, principal categories, and countries of origin, 1980, and January-April 1980-81 1/

(Declared weight)

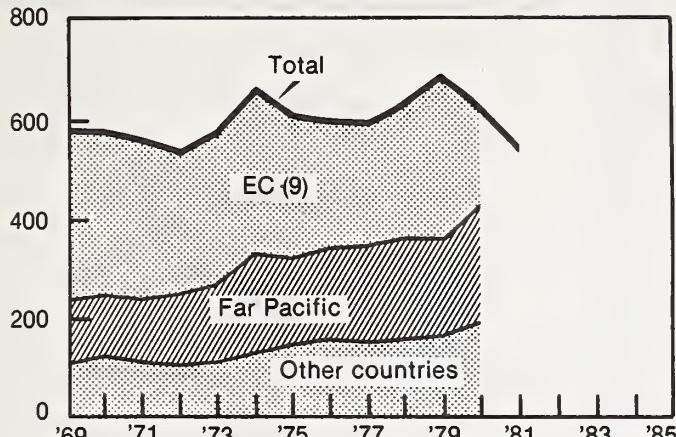
Classification and country of origin	Imports for consumption				General imports (arrivals)			
	January-April 1980		1981 as a percentage of 1980		January-April 1980		1980 as a percentage of 1981	
	1980	1981	percentage of 1980	1980	1980	1981	percentage of 1981	
	---Million pounds---				---Million pounds---			
<u>Cigarette tobacco:</u>								
Leaf:								
Oriental								
Turkey .....	106.2	43.3	33.8	78	89.3	53.8	39.3	73
Greece .....	23.3	7.2	9.1	125	22.6	12.4	13.3	107
Yugoslavia .....	13.1	4.1	4.8	115	11.8	4.9	7.0	145
Bulgaria .....	10.5	3.9	3.8	99	11.5	7.0	10.4	149
Other countries .....	23.0	7.2	11.0	153	13.7	2.0	10.2	510
Flue-cured .....	10.4	2.0	9.4	474	22.4	3.5	3.4	98
Burley .....	26.2	3.5	27.7	785	55.2	13.3	16.1	121
Other .....	1.8	.3	1.0	306	2.7	.2	.1	45
Subtotal .....	214.4	71.5	100.6	141	229.1	97.1	99.8	103
Scrap <u>2/</u> :								
Brazil .....	21.3	9.2	.5	5	24.9	3.2	.0	1
Korea, Republic of .....	9.4	5.3	0	0	13.4	8.6	0	0
Italy .....	3.2	3.0	0	0	4.3	3.4	0	0
Mexico .....	2.2	1.4	.3	23	1.7	.7	.2	38
Turkey .....	7.7	4.0	2.4	60	10.1	5.7	3.3	59
Zimbabwe .....	6.1	6.1	0	0	6.8	6.8	0	0
Other countries .....	28.3	19.1	2.5	13	25.6	13.1	3.1	24
Subtotal .....	78.2	48.1	5.7	12	86.8	40.1	6.6	17
Total .....	292.6	119.6	106.3	89	315.9	137.2	106.4	78
Cigar tobacco:								
Wrapper .....	1.7	.6	.6	85	2.0	.4	.9	225
Filler-stemmed and unstemmed								
Dominican Republic .....	1.2	.4	.7	192	6.2	3.7	3.1	82
Other countries .....	3.5	1.0	2.6	260	19.7	7.7	6.5	84
Subtotal .....	4.8	1.4	3.3	244	25.9	11.4	9.6	84
Scrap								
Philippine Republic .....	10.1	2.9	3.1	108	6.6	2.0	2.4	115
Indonesia .....	5.4	1.9	2.9	155	6.6	1.3	2.7	212
Dominican Republic .....	6.5	2.0	2.6	133	2.2	.9	2.2	247
Brazil .....	2.9	.6	.9	162	2.3	.9	2.1	236
Other countries .....	16.0	4.9	5.3	108	12.5	3.9	3.6	92
Subtotal .....	40.9	12.3	14.8	120	30.2	9.0	13.0	145
Total .....	47.4	14.3	18.7	131	58.1	20.8	23.5	113
Stems .....	25.7	4.5	9.3	204	30.8	5.1	10.8	212
Total, unmanufactured .....	365.6	138.6	134.3	97	404.8	163.0	140.7	86
Manufactured or not manufactured, not specifically provided for, other								
Brazil .....	7.9	.0	7.3	---	8.2	0	5.7	---
Korea, Republic of .....	6.9	0	7.4	---	3.0	0	13.2	---
Malawi .....	.0	0	.2	---	1.9	0	4.0	---
Other .....	13.6	.7	9.1	1,171	13.0	.7	13.3	1,900
Total .....	28.4	.7	24.0	2,917	26.1	.7	36.2	5,171
GRAND TOTAL .....	394.0	139.3	158.3	114	430.9	163.7	176.9	108

1/ Preliminary. 2/ Includes minor quantities for smoking tobacco, chewing tobacco and snuff. Detail may not add to total due to rounding.

Compiled from publications and records of the Bureau of the Census.

## Export Markets for U.S. Tobacco

Mil. lb.



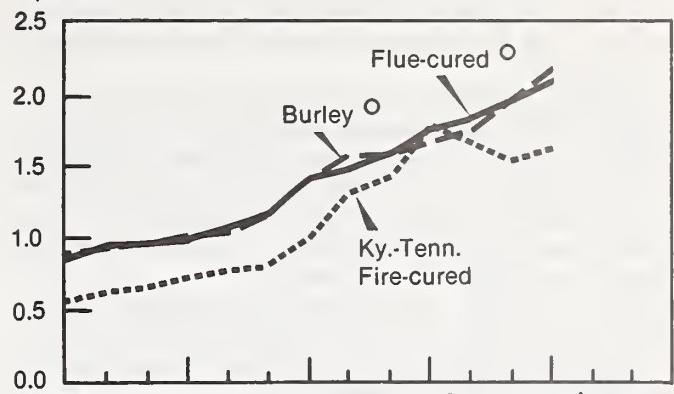
Unmanufactured, declared weight, year ending June 30.

USDA

Neg. ESS 487-81(6)

## Average Tobacco Export Values

\$ per lb.



○ Unstemmed weight basis. \*Declared weight basis. Year ending June 30.

△ Preliminary

USDA

Neg. ESS 5113-81(6)

is underway; following the hearing, ITC is expected to send a report and recommendations to the President. If

the President finds import interference, he shall impose fees or quotas.

## TOBACCO LEAF SITUATION AND OUTLOOK <sup>2</sup>

### 1981 Crop Prospects

Dry weather during much of the winter and spring meant that moisture supplies were limited over most of U.S. tobacco belts, but much needed rains came in late May and early June. By mid-May, the setting of the flue-cured crop was ahead of the average progress. By early June, tobacco setting was virtually complete in North Carolina and Virginia but still in full swing in Kentucky, excessive rains interfered with field work. Harvest was underway in Georgia and Florida and the crop maturity was ahead of last year.

Auctions for the 1981 flue-cured crop are expected to begin in mid-July, depending on recommendations of the Flue-Cured Marketing Advisory Committee (scheduled to meet June 26) and when a sufficient marketable volume becomes available. Last year's auctions began July 21.

The administration has proposed that the Tobacco Inspection Act of 1935 be amended to require growers to pay for the USDA grading service. The service is now provided at no cost to farmers. A cost of about 0.5 cent per pound is expected. As of June 12, the House and Senate Agriculture Committees had not decided whether to begin the fee on July 1 or October 1.

With about the same carryover as last season, the larger size crop will increase total supply. A 12-percent higher support level is in effect. Prices are expected to

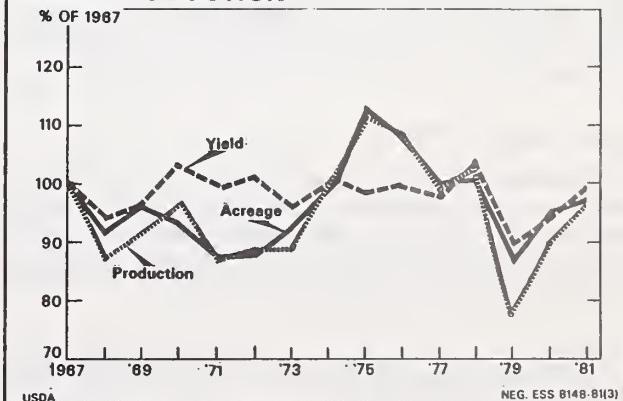
average well above last year, when crop quality was reduced (table 7).

USDA's Crop Reporting Board will publish its first estimate of flue-cured yield per acre and production on July 10. Subsequent monthly reports, beginning August 12, will also estimate yield and production for burley and other types.

### Pesticide Residue Developments

The Secretary of Agriculture has urged that growers apply sucker control chemicals only at recommended rates or face a possible loss of important export markets or a stricter certification and compliance program. According to German tests of U.S. leaf, the average resi-

### TOBACCO ACREAGE, YIELD AND PRODUCTION



<sup>2</sup> All quantities in this section are stated in farm sales weight unless otherwise noted.

due level of maleic hydrazide (MH-30) was 127 parts per million (ppm). This is considerably lower than last season but still well above the level that the German health officials and the cigarette industry consider acceptable (80 ppm).<sup>3</sup>

Beginning October 31, the Environmental Protection Agency (EPA) will suspend sales of the "old" type of MH-30, made with diethanolamine. There is not conclusive evidence that the chemical is harmful, but the manufacturer has agreed to the ban because of the high cost of meeting EPA requirements. A newer compound of MH-30 continues to be available.

As a condition for receiving price support, growers must certify that they did not use DDT, TDE, endrin, or toxaphene pesticides. If growers certify falsely, they are subject to fines or imprisonment.

DDT and TDE residue testing of the 1980 crop showed only one sample with residues of 3 ppm or more. If an analysis shows DDT and TDE residues of 3 ppm or greater, the grower is denied price support. Residues of 10 ppm or greater mean a violation if the grower certified that chemicals were not applied to the crop.

### Flue-Cured

#### Leaf Stocks Increase; Use Falls

April stocks of flue-cured tobacco (types 11 to 14) totaled 2.2 billion pounds, 32 million above a year earlier. Reflecting the declining patterns of domestic use, loan stocks accounted for most of the rise in holdings.

Total disappearance during July 1980-March 1981 was 821 million pounds, about 35 million lower than a year earlier. Exports accounted for most of the drop; even still, domestic disappearance was 3 percent lower. U.S. cigarette production gained over a year before, while use of imported tobacco for cigarettes increased 17 percent.

#### Exports Fall Below Average

With the 1980 crop in short supply and of lower quality than 1979, U.S. flue-cured exports were slightly below last season and the lowest amount since 1971. For the 10 months through April, exports totaled 443 million pounds, compared with 473 million a year earlier.

For the two leading destinations for U.S. flue-cured tobacco, Japan took less in July-April, while West Germany took more. Also, several other EC and Asian countries imported less from the United States as more supplies became available from Zimbabwe and other lower cost sources.

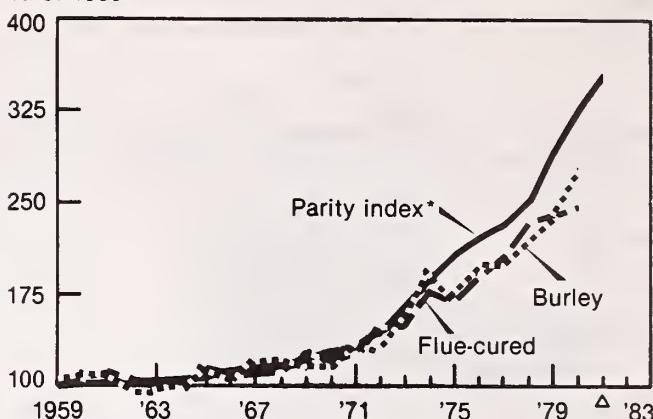
#### Disappearance Falls

Disappearance of flue-cured tobacco in 1980/81 is about 4 percent below the 1.08 billion pounds used the previous year and about 20 percent below the 1973/74 record. Prospects fall short of last season's marketings, so carryover will rise (table 7).

<sup>3</sup> "USDA asks Growers to Curb Use of Growth-Inhibiting Chemical," USDA 384-81, March 31, 1981.

### Tobacco Prices and Parity Index

% of 1959



\*Prices paid for all items including interest, taxes, and wage rates.

△ June 1 indication.

USDA

Neg. ESS 782-81(6)

During July 1980-May 1981, 183 million pounds of loan stocks were sold, substantially above the previous year's low. Unsold stocks on May 31 totaled 472 million pounds, compared with 517 million a year earlier. The record was 960 million in January 1965 (table 8).

#### 1981 Flue-Cured Acreage Decreased

The 1981 effective poundage allotment is 1,112 million pounds, down 6 percent from last year. Some growers are again cooperating with Agricultural Conservation and Stabilization Service (ACCS) in leaving the 4 bottom leaves in the field (the "four-leaf program"), but harvested acreage will again fall considerably short of allotted acreage (table 9).

Growers' March 1 planting intentions were to set 4 percent less flue-cured acreage than in 1980. Last year, growers leased 42 percent of the poundage quota from other allotment owners within their county. The proportion is expected to increase again this year. Since 1972, flue-cured marketing quotas can be leased and transferred throughout the season, subject to limitations enacted in 1977.

Assuming a normal growing season and considering the intended acreage, the crop may total about 1.05 billion pounds. Combined production and carryover would make the total 1981/82 supply about the same as this year's 3.05 billion pounds.

#### 1981 Price Support Details

Flue-cured is under acreage-poundage marketing quotas, and price support is not provided if growers exceed their farm allotments. For 1981, a 10-percent acreage tolerance is provided to accommodate growers who leave the four lower leaves unharvested. By the April 15 deadline, farms accounting for 16 percent of the flue-cured quota had signed up to participate in the four-leaf program—virtually the same as last year's signup.

The 1981 loan rates for the various grades of flue-cured tobacco are expected to range from \$1.02 to \$2.04 a

Table 7 -- Flue-cured tobacco, types 11-14, and burley tobacco, type 31: Acreage, yield, production, carryover, supply, disappearance, season average price, and price support operations, 1971-81

(Farm-sales weight)

Marketing Year	Acreage Harvested	Yield per acre	Marketings	Beginning stocks 1/			Total supply			
				Manufacturers and others	Under loan	Total				
Thousand acres		Pounds		--- Million pounds ---						
Flue-cured, types 11-14										
1971 .....	525.8	2,050	1,076.3	1,214.5	761.9	1,976.4	3,052.7			
1972 .....	513.6	1,971	1,022.1	1,292.4	617.8	1,910.2	2,932.3			
1973 .....	575.1	2,011	1,159.0	1,347.0	402.3	1,749.3	2,908.3			
1974 .....	616.3	2,014	1,245.1	1,330.6	276.7	1,607.3	2,852.4			
1975 .....	717.2	1,973	1,414.7	1,471.9	179.9	1,651.8	3,066.5			
1976 .....	666.6	1,974	1,316.0	3/ 1,539.1	359.2	3/ 1,898.3	3,214.3			
1977 .....	589.3	1,917	1,124.2	1,517.6	556.9	4/ 2,075.0	3,199.2			
1978 .....	602.1	2,046	1,205.9	1,517.9	534.0	4/ 2,051.9	3,257.8			
1979 .....	502.8	1,881	973.8	1,510.8	564.0	2,074.8	3,048.5			
1980 .....	551.8	1,968	1,085.7	1,411.0	554.4	1,965.4	3,051.1			
1981 5/ .....	525.0	2,000	1,050.0	1,411.1	600.0	2,011.1	3,061.1			
Burley, type 31										
1971 .....	213.5	2,213	2/ 472.6	882.4	468.4	1,345.8	1,813.4			
1972 .....	235.6	2,552	590.3	920.9	327.6	1,248.5	1,838.8			
1973 .....	221.1	2,028	461.4	952.5	276.7	1,229.2	1,690.6			
1974 .....	260.7	2,350	610.4	931.5	139.2	1,070.7	1,681.1			
1975 .....	282.2	2,265	638.3	1,082.4	12.0	1,094.4	1,732.7			
1976 .....	285.8	2,376	663.8	3/ 1,115.3	44.8	3/ 1,160.1	1,823.7			
1977 .....	268.6	2,298	612.5	1,162.3	54.9	4/ 1,217.2	1,829.7			
1978 .....	261.4	2,396	617.6	1,087.0	113.5	4/ 1,218.4	1,836.0			
1979 .....	238.1	1,873	445.8	1,056.3	155.4	1,211.7	1,657.5			
1980 .....	276.9	2,013	557.5	959.5	66.3	1,025.8	1,583.3			
1981 5/ .....	278.0	2,000	705.0	977.0	1.3	978.3	1,682.3			
Disappearance				Average	Price					
Total		Domestic	Exports	price per pound	: support level		Placed under loan			
				:	:		Quantity : Percentage			
---Million pounds---				:	:		Quantity : of crop			
							Percent			
Flue-cured, types 11-14										
1971 .....	1,142.5	662.5	480.0	77.2	69.4	55.7	5.2			
1972 .....	1,183.0	664.2	518.8	85.3	72.7	24.3	2.4			
1973 .....	1,301.0	703.0	598.0	88.1	76.6	30.7	2.7			
1974 .....	1,200.6	652.3	548.3	105.0	83.3	23.0	1.9			
1975 .....	1,193.1	670.6	522.5	99.8	93.2	259.0	18.4			
1976 .....	1,148.2	634.0	514.2	110.4	106.0	277.3	21.0			
1977 .....	1,147.3	608.2	539.1	117.6	113.8	195.6	17.3			
1978 .....	1,182.8	584.1	598.7	135.0	121.0	64.1	5.3			
1979 .....	1,083.4	563.2	520.0	140.0	129.3	72.0	7.4			
1980 .....	5/ 1,040.0	5/ 550.0	5/ 490.0	144.5	141.5	138.3	12.7			
1981 .....					158.7					
Burley, type 31										
1971 .....	569.9	515.2	54.7	80.9	71.5	.2	---			
1972 .....	609.6	534.5	75.1	79.2	74.9	22.9	3.9			
1973 .....	619.0	533.1	86.8	92.9	78.9	.7	.1			
1974 .....	586.7	518.8	67.9	113.7	85.8	2.8	.4			
1975 .....	602.5	510.1	92.4	105.5	96.1	50.7	7.9			
1976 .....	606.3	489.6	116.8	114.2	109.3	46.6	7.0			
1977 .....	611.3	494.8	116.5	120.0	117.3	57.0	9.2			
1978 .....	624.3	502.8	121.4	131.2	124.7	67.7	10.8			
1979 .....	631.8	498.5	133.3	145.2	133.3	7.3	1.5			
1980 .....	5/ 605.0	5/ 490.0	5/ 115.0	165.9	145.9	.0	.0			
1981 .....					163.6					

1/ July 1 for flue-cured; October 1 for burley.

5/ Estimated from acreage intentions and projected yield.

## 2/ Production.

<sup>3/</sup> Adjusted for change in conversion factor January 1, 1977.

<sup>4/</sup> Stocks revision January 1, 1979 report.

Table 8—Tobacco loan stocks, 1979-81  
(Farm-sales weight)

Type	End of May		
	1979	1980	1981 <sup>2</sup>
Million pounds			
Flue-cured, 11-14 . . . . .	595.0	582.3	632.4
Burley, 31 . . . . .	169.6	109.4	33.4
Virginia, 21 . . . . .	2.6	2.7	2.5
Kentucky-Tennessee, 22-23 . . . . .	12.2	22.2	18.4
Kentucky-Tennessee, 35-36 . . . . .	4.3	5.9	7.1
Ohio, 42-44 . . . . .	1.0	.9	.5
Puerto Rican, 46 . . . . .	3.9	6.3	8.3
Connecticut Valley, 51-52 . . . . .	1.0	1.5	1.4
Wisconsin, 54 . . . . .	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
Wisconsin, 55 . . . . .	0	0	.2
Total . . . . .	789.6	731.2	704.2
Uncommitted			
Flue-cured, 11-14 . . . . .	541.5	517.4	<sup>3</sup> 471.7
Burley, 31 . . . . .	154.4	38.4	<sup>3</sup> 0

<sup>1</sup> Negligible. <sup>2</sup> April 30. <sup>3</sup> June 1.

Compiled from records of Producer Associations Division, ASCS.

pound, reflecting the support level of \$1.587. Again, no support applies to P5L, P5F, P5G, N1L, N1XL, N1GL, N1XO, and N1PO. The grades are in excess supply and demand is light. Their share of the crop ranged from 4 to 11 percent during 1974-79. As in the past, no price support will be offered on tobacco graded N2, No-G, U, W, or scrap.

### Growers Again Designate Warehouse Preferences

By the April 15 deadline, growers of flue-cured tobacco had designated 98 percent of their marketable quota to the auction warehouses where they wish to sell their 1981 crop. Since this procedure began in 1974, sales schedules and inspection services are provided at individual warehouses on the basis of the quantity of tobacco designated (table 10).

After growers make warehouse designations at their local ASCS office, grower lists are prepared for each warehouse, and the information is sent to the Flue-cured Tobacco Marketing Advisory Committee. In addition to recommending opening dates and sales schedules, the committee advises USDA on the geographic grouping of auction markets and the distribution of graders.

### Burley

#### Burley Use Declines

Both domestic burley use and exports fell during October 1980-March 1981. At 287 million pounds, the 6-month disappearance was 17 percent below a year earlier. Domestic use dropped to 252 million pounds. Although cigarette output increased, less U.S.-origin but more imported burley was used in their manufacture.

Reduced burley shipments in January-April dropped export prospects for the crop year well below last year's

record. For the first 7 months of the marketing year, burley shipments totaled 52 million pounds, only 55 percent of a year earlier. All major destinations took less—Japan, South Korea, the Philippines, Italy, and Thailand. On an unstemmed-leaf basis, burley exports averaged \$2.23 a pound during October-April, up 29 cents from a year earlier.

### Disappearance Above Crop

Carryover at the beginning of the 1980 season was down sharply, falling about 1 billion pounds. By April 1, with the 1980 crop in storage, stocks totaled 1.3 billion pounds, 16 million below a year earlier. On May 31, there were no unsold loan holdings, compared with 40 million pounds a year earlier. Steady domestic use may offset smaller exports and maintain total disappearance near last season's total. The likely result is carryover that should be about 5 percent below last year and the lowest since 1949 (tables 7 and 11).

For 1981, the effective burley poundage quota is 82 million above a year earlier. According to March 1 planting intentions, farmers said they planned to set about 15 percent more burley acreage than last year. Assuming yields near the 1971-80 average, production will total 705 million pounds, up 150 million from last season's short crop. Indicated carryover, plus the projected crop, would push the 1981/82 supply about 100 million pounds above this year's 1.58 billion pounds.

### Southern Maryland

#### Larger Crop; Record Prices

The 1980 crop of Maryland tobacco (type 32) sold for a record average of \$1.70 a pound, 30 cents above a year earlier. All grade prices rose, and less thin-crop offerings were available. Auction sales began March 31 and ended May 14. Because of increased acreage and higher yields, the sales volume was 15 percent above 1979.

Maryland growers have not approved marketing quotas since the 1965 crop, so this kind of tobacco is not eligible for Government price support. Again, type-32 tobacco is being grown in the flue-cured area. Legislation has been introduced to prohibit type-32 acreage in any quota area.

Maryland tobacco goes almost entirely into cigarettes. The disappearance during the first half of the year was 11 million pounds, about 1.9 million below a year earlier. Domestic disappearance and exports were both down.

#### Carryover May Drop

For 1980/81, disappearance of Maryland tobacco is expected to drop below last season's 33.5 million pounds. With reduced supplies, January 1 carryover may drop below this year (table 12).

Based on farmers' March planting intentions and average yields, the 1981 crop may equal 1980. Over the past decade, harvested acreage has averaged 1 percent more than spring plans. Therefore, if the prospective crop is achieved, the supply for 1981/82 would fall slightly below this season's 58 million pounds.

Table 9--Flue-cured and burley tobacco: Marketing quota and marketings, 1971-81

Year	Quota			Marketings			Net carryover <u>2/</u>	
	Basic	Effective	Actual	Over- quota	Under- quota	Effective underquota <u>1/</u>		
Million pounds								
Flue-cured, types 11-14								
1971	1,071.6	1,069.9	1,076.3	60.4	49.9	45.8	-14.5	
1972	1,071.2	1,056.7	1,022.1	41.2	72.9	68.1	26.8	
1973	1,178.7	1,205.6	1,159.0	54.8	100.5	95.3	40.5	
1974	1,296.6	1,337.1	1,245.3	50.0	138.9	132.4	82.5	
1975	1,491.4	1,572.3	1,414.6	50.9	203.2	192.3	141.0	
1976	1,268.1	1,409.1	1,316.0	49.4	139.9	130.2	80.8	
1977	1,116.5	1,197.3	1,124.2	42.6	115.2	106.9	64.3	
1978	1,117.2	1,181.5	1,205.9	65.6	43.9	41.8	-26.4	
1979	1,094.9	1,068.5	973.8	24.8	118.8	117.0	92.2	
1980 <u>3/</u>	1,095.0	1,187.3	1,084.6	36.0	137.9	135.1	99.1	
1981 <u>4/</u>	1,012.6	1,111.7						
Burley, type 31								
1971	555.1	553.0	471.5	9.7	91.1	89.7	80.1	
1972	531.5	611.5	588.6	30.7	45.7	44.6	13.9	
1973	559.7	573.6	460.7	11.3	113.1	111.7	100.3	
1974	606.5	706.3	610.4	23.0	118.9	104.0	81.0	
1975	669.5	750.4	639.9	21.8	127.5	113.4	91.6	
1976	634.8	726.4	663.6	33.1	96.2	82.3	49.2	
1977	636.2	683.4	612.6	27.2	99.0	80.8	53.6	
1978	614.2	667.3	614.2	31.5	88.2	67.6	36.1	
1979	613.6	649.7	472.2	12.2	188.6	168.8	155.2	
1980 <u>3/</u>	615.0	769.2	557.5	11.6	224.3	200.1		
1981 <u>4/</u>	659.6	851.1						

1/ Underquota marketings less ineligible carryover. 2/ Effective underquota marketings less overquota marketings. 3/ Subject to revision. 4/ Preliminary.

Compiled from records and reports of Price Support and Loan Division, ASCS.

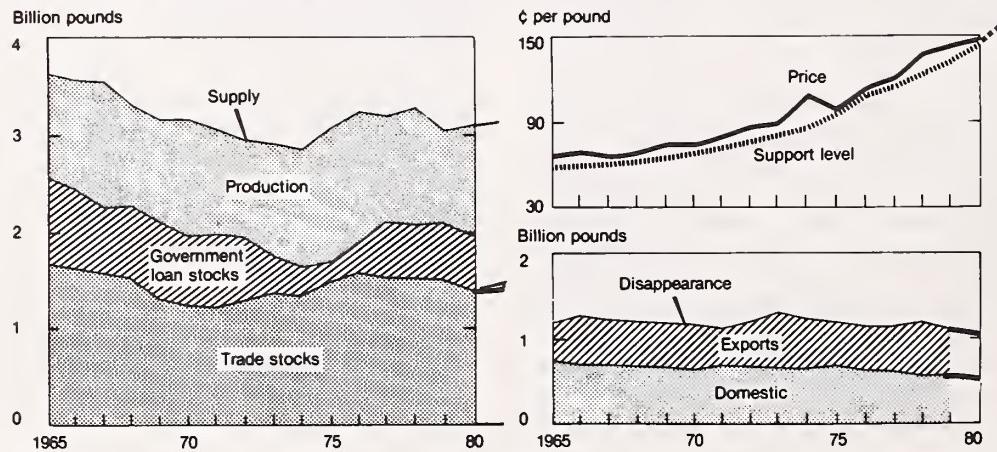
Table 10--Flue-cured tobacco: Effective farm quotas, designations, and marketing, 1979-31 <sup>1/</sup>

Type and State or marketing area	Effective farm quotas 1931	Change from 1930	Initial designation <sup>2/</sup> 1930	Final designation 1981	1979	1980	Marketings 1979	1980
11-Virginia (E)	103	5.5	125	131	120	123	92	84
11-North Carolina (D,E)	290	-1.4	215	220	191	213	234	245
Total - 11	393	.2	340	351	442	345	326	330
12-North Carolina (C)	331	-16.2	506	433	442	515	315	401
13-North Carolina (B)	95	-9.6	123	109	109	123	84	93
13-South Carolina (B)	146	.3	149	150	131	151	121	125
Total - 13	241	-3.8	272	259	241	274	205	224
14-Alabama	1	3.6	--	--	--	--	1	1
14-Florida (A)	23	1.4	22	24	23	23	23	20
14-Georgia (A)	113	-3.3	136	129	123	136	105	110
Total - 14	142	-2.5	158	153	146	159	129	131
Grand total, flue-cured <sup>3</sup>	1,113	-6.4	1,276	1,195	1,140	1,293	974	1,085

<sup>1</sup>Data may not add to totals due to rounding. <sup>2</sup>Growers were allowed to designate 110 percent of their effective quotas. <sup>3</sup>Computed from unrounded data.

Compiled from reports from Tobacco Division, Agricultural Marketing Service, and Price Support and Loan Division, Agricultural Stabilization and Conservation Service.

#### Flue-Cured Tobacco: Supply, Price, Use



Trade stocks include manufacturers' and dealers'. Crop year beginning July 1. 1979 preliminary, 1980 forecast.

Table 11--Burley tobacco: Farm marketings by State and across-state line movement, 1980 crop 1/

State	Total farm mar- ketings	Sold in--							Total sold out of State
		Ind.	Ky.	Mo.	N.C.	Ohio	Tenn.	Va.	
Million pounds									
Indiana	16.8	10.6	6.2						6.2
Kentucky	391.2	4.2	383.7	(2)		0.3	2.9	(2)	(2)
Missouri	5.2		.1	5.1					.1
North Carolina	17.0				13.5		3.5	(2)	3.5
Ohio	17.6	(2)	5.8			11.1			6.5
Tennessee	89.2		1.3		.5		83.7	3.7	5.5
Virginia	18.6				.8			17.4	1.2
West Virginia	1.8		.2		(2)	(2)	(2)	1.6	.2
Total 4/	557.5	14.3	397.3	5.1	14.3	11.4	90.5	21.1	30.6

1/ Preliminary. 2/ Less than 50,000 pounds. 3/ Includes 75,541 pounds produced in Alabama, Georgia, Kansas, and South Carolina.

Compiled from records of Price Support and Loan Division, ASCS.

Details may not add to total due to rounding.

Table 12--Southern Maryland tobacco, type 32: Acreage, yield, production, carryover, supply, disappearance, season average price, 1972-81

Marketing Year 1/	Acreage harvested	Yield per acre	Supply			Disappearance			Average price per pound to growers			
			Production	Stocks following Jan. 1	Total	Total	Domestic	Exports				
Thousand acres												
Pounds												
Million pounds												
1972	24.0	990	23.8	46.6	70.4	25.5	13.4	12.1	84.5			
1973 2/	27.8	1,260	35.0	43.8	78.8	26.1	13.3	12.3	87.8			
1974 2/	26.0	1,260	32.8	51.7	84.5	33.5	25.0	8.5	92.2			
1975 2/	23.0	955	22.0	53.6	75.6	35.7	26.0	9.7	107.5			
1976 2/	25.0	1,205	30.1	41.9	72.0	29.9	17.4	12.5	110.0			
1977 2/	25.0	1,230	30.8	45.3	76.1	29.0	19.6	9.4	115.1			
1978 2/	24.0	1,275	30.6	41.9	72.5	31.1	21.1	10.1	123.1			
1979 2/	19.5	1,130	22.1	41.3	63.4	33.5	23.5	10.0	139.7			
1980 2/	21.0	1,075	3/ 25.2	32.6	57.8	4/ 31.0	4/ 22.0	4/ 9.0	3/ 170.0			
1981 5/	21.0	1,200	25.2	28.0	53.2							

1/ Year beginning October 1. 2/ Includes sales and certification. 3/ Auction sales. 4/ Estimated. 5/ Estimated carryover; projected crop.

Table 13--Fire cured tobacco, Kentucky-Tennessee types 22-23, and Virginia fire-cured type 21  
 Acreage, yield, production, carryover, supply, disappearance, season  
 average price, and price support operations, 1972-81

(Farm-sales weight)

Beginning stocks							
Marketing Year beginning October 1	Acreage harvested	Yield per acre	Production	Manufactures and other	Under loan	Total	Total supply
	Thousand acres	Pounds				Million pounds	
Kentucky-Tennessee fire-cured, types 22-23							
1972	20.4	1,844	37.6	55.0	1.2	56.2	93.8
1973	16.6	1,668	27.7	54.2	3.1	57.3	85.0
1974	16.2	1,602	26.0	44.0	1.1	45.1	71.1
1975	18.4	1,772	32.6	40.5	.1	40.7	73.3
1976	21.2	1,567	33.2	42.6	(1)	42.6	75.8
1977	25.6	1,767	45.2	41.2	(1)	41.2	86.4
1978	27.1	1,898	51.4	50.0	1.0	51.0	102.4
1979	22.1	1,791	39.6	54.0	11.1	65.1	104.7
1980	19.4	1,685	32.6	48.9	19.1	68.0	100.6
1981 <u>2/</u>	19.9	1,750	34.8			64.6	99.4
Virginia fire-cured, type 21							
1972	4.8	970	4.7	7.9	.4	8.3	13.0
1973	4.7	1,205	5.7	7.6	(1)	7.6	13.3
1974	5.0	1,185	5.9	7.1	--	7.1	13.0
1975	5.0	975	4.9	7.1	.3	7.3	12.2
1976	5.3	1,000	5.3	7.4	(1)	7.4	12.7
1977	7.2	1,000	7.2	7.0	(1)	6.7	13.9
1978	6.1	1,120	6.8	7.9	.8	8.7	15.5
1979	4.8	1,135	5.4	8.2	2.7	10.9	16.3
1980	3.9	935	3.6	6.0	3.3	9.3	12.9
1981 <u>2/</u>	4.1	1,050	4.3			7.9	12.2
Disappearance							
	Total	Domestic	Exports	Average price per pound	Price support level	Placed under loan	
						Quantity	Percentage of crop
						Million pounds	
						Cents	Million pounds
							Percent
Kentucky-Tennessee fire-cured, types 22-23							
1972	36.5	14.2	22.3	57.3	50.8	2.8	7.4
1973	39.9	15.7	24.2	71.7	53.5	.2	.7
1974	30.3	14.5	15.8	93.4	58.2	.7	2.7
1975	30.7	12.2	18.5	104.7	65.2	.1	.4
1976	34.6	11.2	23.4	142.4	74.1	(1)	--
1977	35.4	17.4	18.0	132.3	79.5	1.1	2.4
1978	37.3	15.1	22.2	112.5	84.6	11.3	22.2
1979	36.7	18.0	18.7	115.2	90.3	11.4	28.8
1980	3/ 36.0	<u>3/</u> 18.0	<u>3/</u> 18.0	139.4	98.9	2.0	6.2
1981					111.0		
Virginia fire-cured, type 21							
1972	5.4	1.3	4.1	64.2	50.8	(1)	.1
1973	6.2	1.7	4.5	75.5	53.5	(1)	--
1974	5.7	.7	5.0	81.7	58.2	.3	4.5
1975	4.8	1.4	3.4	93.0	65.2	(1)	.9
1976	6.1	<u>4/</u> 2.0	4.1	118.0	74.1	.1	1.5
1977	5.2	2.8	2.4	96.2	79.5	1.0	14.4
1978	4.6	1.0	3.6	94.5	84.6	1.8	26.2
1979	7.0	3.2	3.8	107.9	90.3	.9	16.3
1980	<u>3/</u> 5.0	<u>3/</u> 2.0	<u>3/</u> 3.0	<u>4/</u> 126.7	98.9	.3	7.2
1981					111.0		

1/ Less than 50,000 pounds. 2/ Estimated, projected crop. 3/ Estimated. 4/ Includes 400,000 pounds fire loss, December 1976.

## Fire-Cured

### Disappearance Drops; Supplies Larger; Prices Up

Disappearance of fire-cured tobacco (types 21-23) during the first half of 1980/81 was 22 million pounds, down 2.5 million pounds from last season. Exports and domestic use were off slightly.

Last season's reduced crop offset the larger carryover, thus lowering supplies. The crop averaged \$1.38 a pound, 24 cents more than a year earlier. Country purchases (one-half of the crop) averaged \$1.58 a pound, while auction sales and loan receipts brought only \$1.18. Quality also improved last season (table 13). Growers placed 6 percent of the 1980 crop under loan, a smaller share than in 1979. Much of the tobacco that went under loan was lugs and nondescript grades for which demand is limited.

Because of last season's higher prices, growers may expand acreage 3 percent. According to March planting intentions, increases are expected in both the Kentucky-Tennessee and Virginia areas. On the basis of the indicated acreage, with an average yield, growers would produce 39 million pounds, about 7 percent more than in 1980. But, with prospects for a smaller carryover, the supply for 1981/82 may decline further.

Exports of fire-cured tobacco in 1980/81 may change little from last season. Shipments of 7 million pounds of types 22-23 during the first 7 months of the marketing year were about 1 million above 1979/80.

## Dark Air-Cured

### Supplies Stable, Prices Up

Disappearance of dark air-cured and sun-cured tobacco (types 35-37) during the first half of 1980/81 was 5.5 million pounds, down 3 million from a year earlier. Domestic use was also down. The manufacture of plug chewing tobacco—a major domestic outlet for dark air-cured tobacco—was above a year earlier, but manufacturers have shifted blends away from dark air-cured types. Exports were up. Black Fat tobacco exports—a semiprocessed product consisting of dark air-cured and fire-cured leaf—totaled 2.2 million pounds during October 1980-April 1981, an increase of 0.6 million from a year earlier. Almost all Black Fat goes to West African destinations.

Farm prices were up 15-1/2 cents a pound for about the same size crop. Growers placed 6 percent of production under loan, considerably less than in 1979, when quality was not as good. For 1980/81, disappearance may fall below the previous crop, but carryover will rise moderately (table 14).

This year, growers of dark air-cured and sun-cured tobacco plan to harvest about the same acreage as last year's 9,690 acres. With a return to average yields, the crop could reach nearly 18 million pounds, 6 percent larger than last season. Therefore, the 1981/82 supply could rise 6 percent above this season's 53 million pounds.

## Cigar Tobacco

### Production May Recover

Supplies of domestically grown cigar tobacco are up a little this year because of increased 1980 production; carryover stocks were lower. If yields turn out at average rates, production in 1981/82 may not match last year's; acreage is about the same (table 15).

With average yields and intentions for the same acreage as this year, filler production (U.S. and Puerto Rico) could decline from the 30 million pounds of last season.

Binder output may maintain last year's 21-year high. Allotments for Connecticut Valley binder (types 51-52) apply again this year. USDA transferred filler and binder allotments (types 42-44 and 53-55) to growers who wanted to increase their 1981 plantings. Under terms of this annual reallocation, USDA transferred the allotments from growers who did not wish to use them this year. Therefore, 2,379 acres in Wisconsin and 1,381 acres in Ohio were reallocated.

Binder acreage intentions are up 6 percent in Northern Wisconsin and 2 percent in Southern Wisconsin. The rise, coupled with average yields, may maintain production at 25 million pounds—equal to 1980/81 disappearance. Wisconsin binder goes into chewing tobacco; that market was expanding until manufacturers shifted blends late last year and factory employment fell.

Wrapper production may decrease. Intended plantings are down 11 percent for Connecticut Valley wrapper.

April 1 holdings of U.S. and Puerto Rican cigar tobacco (types 41-62) totaled 149 million pounds, 3 percent above a year earlier. Filler and binder types rose. On April 1, U.S. stocks of foreign-grown cigar tobacco were 86 million pounds, about 6 percent below the previous year. During the first half of 1980/81, manufacturers used about 4 million pounds more imported cigar tobacco than a year earlier.

### Filler Use Steadies

Disappearance of cigar filler during the first half of the year was 18 million pounds, 2 million pounds below last year. Decreased interest in the Pennsylvania type for chewing tobacco has slowed its use. Cigar makers have a very limited interest in Ohio and Puerto Rican filler.

For 1980/81, filler tobacco disappearance may stabilize near recent totals. Even with the larger crop in 1980, carryover may stay close to last year's low of 61 million pounds.

### Binder Carryover Rises

Cigar binder disappearance during October-March was 13 million pounds, 1 million below a year earlier. Wisconsin binder (types 54-55) disappearance declined because of shifts in chewing tobacco blends. Disappearance of Connecticut Valley binder tobacco for 1980/81 is estimated below last season. But, last year's large crop means binder carryover stocks will probably rise some 4 million pounds.

Table 14--Dark air-cured tobacco, types 36-36, and Sun-cured tobacco type 37: Acreage, yield production, carryover, supply, disappearance, season average price, and price support operations, 1972-81

(Farm-sales weight)

Marketing year beginning Oct. 1	Acreage harvested  Thousand acres	Yield per acre  Pounds	Beginning stocks				Total supply  Million pounds
			Production	Manufacturers and other	Under loan	Total	
						Million pounds	
Dark air-cured, types 35-36							
1972	8.2	1,875	15.5	33.5	12.7	46.2	61.7
1973	7.6	1,647	12.4	31.9	12.8	44.7	57.1
1974	7.0	1,653	11.6	31.4	5.5	36.9	48.5
1975	8.0	1,750	14.0	32.7	(1)	32.9	46.9
1976	9.3	1,660	15.1	28.2	--	28.2	43.3
1977	11.2	1,809	20.4	26.1	--	26.1	46.5
1978	11.2	1,969	22.2	30.4	(1)	30.4	52.6
1979	9.7	1,665	16.1	30.0	4.1	34.1	50.2
1980	9.3	1,745	16.2	28.6	5.6	34.2	50.4
1981 <sup>2</sup>	9.8	1,750	17.2			36.4	53.6
Sun-cured, type 37							
1972	.8	1,010	.8	3.0	0	3.0	3.8
1973	.7	1,320	.9	3.2	0	3.2	4.1
1974	.7	1,315	.9	3.0	0	3.0	3.9
1975	.7	930	.7	2.3	0	2.3	3.0
1976	.7	1,115	.8	2.1	0	2.1	2.9
1977	.8	1,030	.8	1.8	0	1.8	2.6
1978	.7	1,205	.9	1.8	0	1.8	2.7
1979	.5	1,055	.6	2.2	0	2.2	2.3
1980	.4	1,010	.4	2.0	0	2.0	2.4
1981 <sup>2</sup>	.4	1,050	.4	1.8	0	1.8	2.2
Disappearance							
Total	Domestic	Exports	Average price per pound	Price support level	Quantity	Placed under loan	Percentage of crop
			Million pounds	Cents	Million pounds		Percent
Dark air-cured, types 35-36							
1972	17.0	14.7	2.3	50.3	45.2	1.2	.3
1973	20.2	17.4	2.8	61.9	47.6	(1)	.2
1974	15.6	12.8	2.8	76.9	51.8	.4	3.7
1975	18.7	16.1	2.6	89.8	58.0	.1	.5
1976	17.2	15.1	2.1	116.6	65.9	(1)	--
1977	16.1	13.6	2.4	117.7	70.7	(1)	--
1978	18.4	15.7	2.7	99.1	75.2	4.3	19.7
1979	16.0	14.2	1.8	111.7	80.4	2.2	13.7
1980	314.0	312.0	32.0	126.5	88.0	1.4	8.6
1981				98.7			
Sun-cured, type 37							
1972	.6	.4	.2	57.9	45.2	0	--
1973	1.1	.9	.2	69.2	47.6	0	--
1974	1.6	1.3	.3	82.1	51.8	413	1.4
1975	.9	.7	.2	85.5	58.9	0	--
1976	1.1	.9	.2	105.0	65.9	0	--
1977	.8	.6	.1	100.0	70.7	413	1.6
1978	.5	.3	.2	88.8	75.2	109	12.4
1979	.8	.6	.2	90.8	80.4	430	5.2
1980	3.6	3.5	3.1	127.1	88.0	0	0
1981				98.7			

<sup>1</sup>Less than 50,000 pounds. <sup>2</sup>Estimated, projected crop. <sup>3</sup>Estimated. <sup>4</sup>Quantity placed under loan in thousands of pounds.

Table 15-Cigar tobacco, types 41-62: Domestic supplies, disappearance, and  
season average prices, 1972-81  
(Farm-sales weight)

Crop Year <sup>1</sup>	Acreage harvested	Yield per acre	Supply		Disappearance			Average price per pound to growers
			Production	Beginning stocks <sup>1</sup>	Total supply	Total	Domestic	
Thousand acres	Pounds		Million pounds				Cents	
Pennsylvania Seedleaf Filler (type 41)								
1972	13.0	1,400	18.2	70.2	88.4	34.7	34.4	.3
1973	13.0	1,700	22.1	53.7	75.8	28.3	27.5	.8
1974	13.0	2,000	26.0	47.5	73.5	24.3	24.0	.3
1975	12.0	1,650	19.8	49.2	69.0	22.2	21.8	.4
1976	13.5	1,750	23.6	46.8	70.4	20.7	20.3	.4
1977	13.5	1,940	26.2	49.7	75.9	21.8	21.6	.2
1978	13.0	1,940	25.2	54.1	79.3	23.6	23.5	.1
1979	11.2	1,580	17.7	55.7	73.4	24.3	24.0	.3
1980 <sup>2</sup>	13.0	1,900	24.7	49.1	73.8	23.0	22.5	.5
1981 <sup>3</sup>	13.0	1,750	22.8	50.8	73.6			87.0
Ohio, Miami, Valley Filler (types 42-44)								
1972	2.4	1,780	4.2	7.0	11.2	4.4	4.4	--
1973	2.2	1,420	3.1	6.8	9.9	4.0	4.0	--
1974	2.0	1,530	3.1	5.9	9.0	3.1	3.1	--
1975	2.1	1,620	3.4	5.9	9.3	3.6	3.6	--
1976	2.2	1,550	3.4	5.7	9.1	3.1	3.1	--
1977	1.8	2,025	3.6	6.0	9.6	2.6	2.6	--
1978	1.6	1,850	3.0	7.0	10.0	3.7	3.7	--
1979	1.3	1,500	2.0	6.3	8.3	4.5	4.5	--
1980 <sup>2</sup>	1.4	1,700	2.4	3.8	6.2	4.0	4.0	--
1981 <sup>3</sup>	1.5	1,700	2.6	2.2	4.8			107.0
Puerto Rico Filler (type 46) <sup>4</sup>								
1972	5.6	883	4.8	12.7	17.5	8.3	8.3	--
1973	4.5	1,435	6.5	9.2	15.7	5.7	5.7	--
1974	2.7	1,477	3.9	10.0	14.0	7.9	7.9	--
1975	2.7	1,500	4.3	6.1	10.4	3.2	3.2	--
1976	2.8	1,429	4.1	7.2	11.3	4.9	4.9	--
1977	2.6	1,480	3.9	6.4	10.3	3.9	3.9	--
1978	2.2	1,400	3.1	6.4	9.5	2.6	2.6	--
1979	2.0	1,000	2.0	6.9	8.9	.8	.8	--
1980 <sup>2</sup>	1.8	1,400	2.5	8.1	10.6	2.0	2.0	--
1981 <sup>3</sup>	1.8	1,400	2.5	8.6	11.1			73.5
Total Cigar Filler (types 41-46)								
1972	21.0	1,293	27.2	89.9	117.1	47.4	47.1	.3
1973	19.7	1,450	31.7	69.7	101.4	38.0	37.2	.8
1974	17.7	1,870	33.1	63.4	96.5	35.3	35.0	.3
1975	16.8	1,687	27.5	61.2	88.5	28.8	28.4	.4
1976	18.5	1,681	33.1	59.7	90.2	28.1	27.7	.4
1977	17.9	1,383	33.7	62.1	95.8	28.3	27.0	.3
1978	16.8	1,063	31.3	67.5	98.8	29.9	29.8	.1
1979	14.5	1,475	21.7	68.9	90.6	29.6	29.3	.3
1980	16.3	1,827	29.6	61.0	90.6	29.0	28.5	.5
1981 <sup>3</sup>	16.3	1,712	27.9	61.6	89.5			87.5
Connecticut Valley Binder (types 51-52)								
1972	1.6	1,600	2.5	7.4	9.9	2.4	2.3	.1
1973	1.6	1,721	2.7	7.5	10.2	3.2	3.1	.1
1974	1.5	1,737	2.5	7.0	9.5	3.3	3.1	.2
1975	1.5	1,582	2.4	6.2	8.6	4.3	4.1	.2
1976	1.5	1,605	2.4	4.3	6.7	2.4	2.3	.1
1977	1.4	1,784	2.5	4.3	6.8	1.9	1.9	*.
1978	1.5	1,734	2.6	4.9	7.5	2.1	2.0	.1
1979	1.7	1,637	2.8	5.5	8.3	2.2	2.0	.2
1980	1.7	1,743	2.9	5.7	8.6	3.0	2.7	.3
1981 <sup>3</sup>	1.5	1,700	2.6	5.6	8.2			180.0
Southern Wisconsin Binder (type 54)								
1972	5.0	1,685	8.4	20.3	28.7	9.3	8.3	--
1973	4.9	1,950	9.6	19.4	29.0	10.1	10.1	--
1974	4.7	2,060	9.7	18.9	28.6	8.8	8.8	--
1975	5.6	1,945	10.9	19.8	30.7	7.5	7.5	--
1976	5.6	1,890	10.6	23.2	33.8	10.0	10.0	--
1977	6.2	2,020	12.5	23.8	36.3	10.2	10.2	--
1978	6.2	1,800	11.2	26.0	37.2	11.4	11.4	--
1979	6.3	2,080	13.1	25.8	38.9	--	--	--
1980 <sup>2</sup>	6.2	2,050	12.7	--	--	--	--	117.0
1981 <sup>3</sup>	6.3	1,950	12.3					125.0
Northern Wisconsin Binder (type 55)								
1972	5.8	1,770	10.3	19.0	29.3	9.8	9.8	*.
1973	5.3	1,775	9.4	19.5	28.9	12.0	12.0	*.
1974	4.7	1,870	8.8	16.9	25.7	9.9	9.9	*.
1975	5.4	1,835	9.9	15.8	23.7	9.7	9.6	.1
1976	5.5	1,750	9.6	16.0	25.6	9.4	9.4	*.
1977	5.8	2,045	11.9	16.2	28.1	9.1	9.1	.1
1978	5.9	1,550	9.1	19.1	28.2	8.9	8.9	.1
1979	6.6	1,810	11.9	19.3	31.2	--	--	.1
1980 <sup>2</sup>	6.6	1,850	12.2	--	--	--	--	117.0
1981 <sup>3</sup>	7.0	1,850	13.0					125.0

See footnotes at end of table.

Table 15-Cigar tobacco, types 41-62: Domestic supplies, disappearance, and season average prices, for 1972-81 Cont.  
(Farm-sales weight)

Crop year	Acreage harvested	Yield per acre	Supply		Disappearance			Average price per pound to growers
			Production	Beginning stocks 1/	Total supply	Total	Domestic	
	Thousand acres	Pounds	Million pounds					Cents
<b>Total Wisconsin Binder (types 54-55)</b>								
1972	10.3	1,731	18.7	39.3	58.0	19.1	19.1	*
1973	10.2	1,859	19.0	38.9	57.9	22.2	22.2	*
1974	9.4	1,965	18.5	35.8	54.3	18.7	18.7	75.1
1975	11.0	1,891	20.8	35.6	56.4	17.2	17.1	.1
1976	11.1	1,821	20.2	39.2	59.4	19.4	19.4	*
1977	12.0	2,032	24.4	40.0	64.4	19.3	19.3	.1
1978	12.1	1,678	20.3	45.1	65.4	20.1	20.1	*
1979	12.9	1,942	25.0	45.3	70.3	21.4	21.4	*
1980 2/	12.0	1,978	25.3	48.9	74.2	21.0	21.0	-
1981 3/	13.3	1,900	25.3	53.2	78.5			125.0
<b>Total Cigar Binder (types 51-55)</b>								
1972	12.4	1,714	21.2	46.7	67.9	21.5	21.4	.1
1973	11.8	1,841	21.7	46.4	68.1	25.4	25.3	.1
1974	10.9	1,934	21.0	42.8	63.8	22.0	21.8	.2
1975	12.5	1,851	23.2	41.8	65.0	21.5	21.2	.3
1976	12.6	1,795	22.6	43.5	66.1	21.8	21.6	.2
1977	13.4	2,007	26.8	44.3	71.1	21.1	21.1	.1
1978	13.6	1,684	22.9	50.0	72.9	22.2	22.2	.1
1979	14.4	1,911	27.5	50.8	78.3	23.6	23.2	.2
1980 2/	14.5	1,950	28.2	54.6	82.8	24.0	23.7	.3
1981 3/	14.8	1,885	27.9	58.8	86.7			131.0
<b>Connecticut Valley Shade-grown (type 61)</b>								
1972	4.1	1,250	5.1	13.2	18.3	7.6	4.8	2.8
1973	5.0	1,210	6.1	10.7	16.8	8.3	6.4	1.9
1974	4.8	1,625	7.8	8.5	16.3	6.8	2.8	3.9
1975	4.4	1,371	6.0	9.5	15.5	8.0	4.2	3.8
1976	4.2	1,555	6.6	7.5	14.1	5.2	1.8	3.4
1977	3.3	1,544	5.1	8.9	14.0	4.7	.5	4.2
1978	2.7	1,392	3.8	9.3	13.1	5.0	.1	4.9
1979	2.7	1,472	4.0	8.1	12.1	5.4	.5	4.9
1980 2/	3.0	1,513	4.5	6.7	11.2	6.5	3.0	3.5
1981 3/	2.8	1,500	4.2	4.7	8.9			980.0
<b>Georgia-Florida Shade-grown (type 62)</b>								
1972	3.0	1,517	4.6	6.6	11.2	4.2	3.8	.4
1973	2.6	1,413	3.7	7.0	10.7	4.2	3.7	.5
1974	1.9	1,724	3.2	6.5	9.7	3.6	3.1	.5
1975	1.1	1,556	1.7	6.2	7.9	1.9	1.5	.4
1976	.4	1,680	.6	6.0	6.6	2.4	2.0	.4
1977	.1	1,630	.2	4.2	4.4	1.1	.6	.5
1978	-	---		3.4	3.4	1.3	.9	.4
1979	-	---		2.1	2.1	1.1	.6	.5
1980 2/	-	---		1.0	1.0	.5	.1	.4
1981 3/	-	---		.5	.5			---
<b>Total shade-grown (types 61-62)</b>								
1972	7.1	1,365	9.7	19.8	29.5	11.8	8.6	3.2
1973	7.6	1,280	9.8	17.7	27.5	12.5	10.1	2.4
1974	6.6	1,652	11.0	15.0	26.0	10.4	6.0	4.4
1975	5.5	1,409	7.7	15.7	23.4	9.8	5.6	4.2
1976	4.6	1,565	7.2	13.6	20.8	7.7	3.8	3.8
1977	3.4	1,547	5.3	13.1	18.4	5.8	1.0	4.8
1978	2.7	1,392	3.8	12.7	16.5	6.3	1.0	5.3
1979	2.7	1,472	4.0	10.2	14.2	6.5	1.1	5.4
1980 2/	3.0	1,513	4.5	7.7	12.2	6.5	3.1	3.4
1981 3/	2.8	1,500	4.2	6.1	10.3			980.0
<b>Grand Total Cigar Tobacco (types 41-62)</b>								
1972	40.4	1,434	58.1	156.4	214.5	80.7	77.1	3.6
1973	39.1	1,627	63.2	133.8	197.0	75.9	72.6	3.3
1974	35.2	1,848	65.1	121.2	186.3	67.7	62.8	4.9
1975	34.8	1,678	58.4	118.6	177.1	60.3	55.4	4.9
1976	35.7	1,709	61.0	116.8	177.7	58.2	53.7	4.4
1977	34.7	1,900	65.9	119.5	185.4	55.2	50.0	5.2
1978	33.1	1,752	58.0	130.1	188.2	58.6	53.2	5.5
1979	31.6	1,684	53.2	129.9	183.1	59.8	53.5	6.1
1980 2/	33.7	1,849	62.3	123.3	185.6	60.0	55.3	4.7
1981 3/	33.9	1,770	60.0	126.5	186.5			171.8

1/October 1 for types 41-55; July 1 for types 61-62. 2/Estimated disappearance. 3/Estimated carryover; projected crop. 4/Puerto Rican planting occurs late in calendar year. Price per pound excludes payment by Puerto Rican Government. \*Less than 50,000 pounds.

## Wrapper Carryover Dropping

Shade-grown wrapper use has stabilized (types 61-62) in recent years, but production has fallen short, so stocks have been pulled down sharply. The wrapper crop rose in value from \$8.50 a pound in 1980 to \$9.80 this year.

Despite reduced exports, disappearance of cigar wrapper during July-March was 6 million pounds, the

same as a year earlier. Also, carryover is falling to less than a year's use. Because of lower costs, most of the U.S. crop is exported to the Dominican Republic for processing. During the first 10 months of the marketing year, cigar wrapper exports were 3 million pounds, down 1.6 million from a year earlier.

Table 16--Cash receipts from tobacco as percentage of cash receipts from the crops and all farm commodities, by State, 1977-80

State	1977		1978		1979 <sup>1</sup>		1980 <sup>1</sup>	
	Tobacco	Percentage of total receipts	Tobacco	Percentage of total receipts	Tobacco	Percentage of total receipts	Tobacco	Percentage of total receipts
	Million	Percent	Million	Percent	Million	Percent	Million	Percent
North Carolina	866	33.0	1,106	34.2	894	26.3	1,113	30.2
Kentucky	619	35.8	565	26.5	549	26.7	675	30.2
South Carolina	171	21.5	206	20.1	173	16.3	175	17.3
Virginia	163	16.2	138	14.6	159	11.8	159	12.0
Tennessee	164	11.9	173	11/2	156	8.8	134	10.1
Georgia	150	6.8	177	6.8	147	5.0	153	5.4
Florida	31	1.2	31	.9	30	.8	30	.8
Maryland	30	4.6	34	4.1	38	4.3	30	3.5
Connecticut	34	15.2	23	9.9	26	10.2	27	10.1
Wisconsin	14	.4	20	.5	22	.5	29	.6
Ohio	29	1.0	23	.7	22	.6	29	.8
Indiana	24	.7	20	.5	17	.4	27	.6
Massachusetts	11	4.8	.9	3.6	3	3.3	11	4.0
Pennsylvania	14	.7	14	.6	15	.6	16	.6
Missouri	5	.2	6	.2	9	.2	9	.2
West Virginia	4	2.5	3	2.0	3	1.2	3	1.5
United States <sup>2</sup>	2,329	2.4	2,606	2.3	2,271	1.7	2,672	1.9

<sup>1</sup>Subject to revision. <sup>2</sup>U.S. total receipts from tobacco include relatively small receipts for a few States not shown separately.

Table 17--Tobacco manufacturing corporations: Net sales, net income, and profit ratios, 1971-80

Period	Net income			Profit			Percentage of stockholders equity (annual basis)	
	Net sales	before income taxes		Per dollar of sales		Before Federal tax	After Federal tax	
		before income taxes	After income taxes	Before Federal tax	After Federal tax			
million dollars								
								cents
1971	10,551	1,217	643	11.5	6.1	29.3	15.7	
1972	11,308	1,246	676	11.1	6.0	28.4	15.4	
1973	12,205	1,254	704	10.3	5.3	26.4	14.8	
1974	14,267	1,354	770	9.5	5.4	1/26.4	1/15.0	
1974 2/		1,053	801	11.3	9.0	1/26.4	1/20.0	
1975	9,987	1,396	919	14.0	9.2	26.6	16.6	
1976	11,964	1,638	1,011	14.3	7.3	23.8	15.9	
1977	13,696	1,938	1,239	14.2	9.1	32.0	17.5	
1978	15,493	2,591	1,461	16.7	9.4	32.4	18.3	
1979	3/15,331	2,740	1,752	17.9	11.4	30.9	19.2	
1980	3/17,471	3,027	2,044	17.3	11.7	31.0	19.8	
Quarterly 1980								
1	4,003	719	523	13.0	13.1	32.3	21.2	
2	4,270	759	518	17.8	12.1	31.3	20.2	
3	4,516	860	533	19.0	13.0	35.2	22.3	
4	4,682	639	415	14.7	3.9	24.3	15.4	

1 Estimated on the basis of an equity increase of 3 percent.

2 Industry classification changed and foreign subsidiary results omitted beginning with 1974. For 1974, the new series reduced net sales 37 percent and profits before taxes 22 percent. Profits after taxes increased 4 percent.

3 Excludes excise taxes.

Note: Includes non-tobacco enterprises of tobacco manufacturing corporations. Compiled from the Quarterly Financial Reports for Manufacturing Corporations. Federal Trade Commission--Securities and Exchange Commission.

Table 18--United States exports of unmanufactured tobacco by types, to principal importing countries crop years, 1979/80-1980/81 1/

Importing country	1979/80	Part year through April 1979/80	1980/81 2/	Importing country	1979/80	Part year through April 1979/80	1980/81 2/
Million pounds							
Flue-cured, types 11-14							
Va. fire & sun-cured, types 21-37							
United Kingdom	40.9	32.3	29.8	Switzerland	15	0	90
West Germany	65.8	40.2	41.9	Norway	1,778	702	174
Japan	62.3	59.7	58.2	Sweden	192	0	216
Netherlands	23.2	19.1	18.2	West Germany	395	274	35
Thailand	15.0	15.0	13.9	Other countries	856	354	197
Australia	10.6	9.0	7.8	Total	3,236	1,330	712
Italy	15.8	15.4	14.2				
Sweden	7.8	7.8	7.5				
Norway	4.3	3.3	2.4				
Finland	6.6	5.0	5.4				
Denmark	6.0	8.1	7.2	Bahamas	13	13	0
Ireland	3.7	3.8	2.2	Belgium-Luxembourg	104	0	0
Belgium-Luxembourg	4.9	4.5	4.5	Other countries	2	2	2
Switzerland	6.6	6.0	8.1	Total	119	15	2
Rep. of Korea	9.8	9.4	.1				
Philippines	7.8	4.7	3.9				
Spain	14.0	9.4	18.3				
Malaysia	6.7	4.9	3.7				
Taiwan	24.1	23.1	13.2	United Kingdom	13	0	22
Egypt	12.2	5.8	7.9	Benin (Dahomey)	0	0	0
Other countries	50.5	52.6	45.8	Zaire	0	0	0
Total	398.6	339.1	314.2	Other countries	2	2	0
				Total	15	2	22
Burley, type 31							
Italy	10.3	6.2	5.3				
Sweden	2.8	1.5	.8	Cigar Filler, type 41-44			
Denmark	4.2	2.2	.4	Netherlands	75	0	0
Netherlands	8.9	6.3	.5	France	68	40	121
Japan	9.6	9.6	13.6	Other countries	95	22	196
West Germany	23.6	16.8	4.3	Total	238	62	317
Switzerland	2.4	2.4	.8				
United Kingdom	1.2	.9	0	Connecticut Binder, types 51-52			
Thailand	7.6	7.6	1.7	Dominican Republic	68	20	35
Philippines	3.6	1.9	1.8	Belgium-Luxembourg	0	0	9
Other countries	17.4	9.2	6.3	Canada	75	22	88
Total	91.6	64.6	35.5	Other countries	7	02	0
				Total	150	44	132
Maryland, type 32							
Belgium-Luxembourg	.4	.4	.5				
West Germany	.7	.5	.7	Wisconsin Binder, types 54-55			
Switzerland	5.1	2.8	1.3	Dominican Republic	0	0	24
Other countries	1.4	.5	.3	Other countries	2	0	0
Total	7.6	4.2	2.8	Total	2	0	24
Ky.-Tenn. fire cured, types 22-23							
Sweden	.7	1.1	.4				
Netherlands	9.7	3.9	4.7	Cigar Wrapper, types 61-62			
Belgium-Luxembourg	.9	.3	.1	United Kingdom	633	600	441
France	1.8	1.3	1.5	West Germany	68	43	29
Switzerland	.4	.4	.2	Canada	58	58	18
Other countries	3.4	.5	1.3	Dominican Republic	3,433	2,965	1,548
Total	16.4	7.5	8.2	Netherlands	363	297	236
				Other countries	255	199	424
Total							
Sweden	4.5	4.4	4.5				
Denmark	8.1	4.2	.3	Black Fat			
United Kingdom	7.0	5.2	6.5	Benin (Dahomey)	1,162	754	1,486
West Germany	9.4	5.5	7.9	Cameroon	272	196	0
Japan	13.2	11.9	22.6	Niger	459	64	300
Other countries	36.1	20.0	18.9	Nigeria	46	0	20
Total	78.3	51.2	60.7	Togo	344	344	0
				Other countries	122	59	355
				Total	2,405	1,417	2,161

1/ July-June crop year for flue-cured, and cigar wrapper; October-September crop for all other types.

2/ Subject to revision. 3/ Less than 50,000 pounds.

Compiled from publications and records of the Bureau of the Census.

## STATISTICAL SUMMARY

Item	Unit or base period	1980		1981		Last data as percentage of a year earlier
		April	May	March	April	
Average price at auctions						
Flue-cured	Ct. per lb.		CLOSED		CLOSED	
Burley	Ct. per lb.		CLOSED		CLOSED	
Maryland	Ct. per lb.	140.0	139.5	CLOSED	172.0	165.0
Virginia fire-cured	Ct. per lb.		CLOSED		CLOSED	
Ky.-Tenn. fire-cured	Ct. per lb.		CLOSED	143.5		CLOSED
Ky.-Tenn. dark air-cured	Ct. per lb.		CLOSED		CLOSED	
Virginia sun-cured	Ct. per lb.		CLOSED		CLOSED	
Price support level 1/						
Flue-cured	Ct. per lb.		141.5		158.7	
Burley	Ct. per lb.		145.9		163.6	
Virginia fire-cured	Ct. per lb.		98.9		111.0	
Ky.-Tenn. fire-cured	Ct. per lb.		98.9		111.0	
Ky.-Tenn. dark air-cured	Ct. per lb.		88.0		98.7	
Virginia sun-cured	Ct. per lb.		88.0		98.7	
Connecticut Valley cigar binder	Ct. per lb.		101.0		113.3	
Wis. binder and Ohio filler	Ct. per lb.		72.9		81.8	
Puerto Rican filler	Ct. per lb.		75.7		84.9	
Parity index 2/	1910-14=100	936	938	1,026	1,033	1,035
Industrial production index 3/	1967=100	148.3	144.0	152.2	152.8	
Employment	Mil.	97.2	97.1	98.4	99.0	
Personal income 4/	Bil. dol.	2,012.1	2,114.1	2,337.9	2,351.1	
		1980		1981		
		March	April	February	March	April
Taxable removals						
Cigarettes	Bil.	49.6	52.8	49.5	55.8	
Cigars and cigarillos	Mil.	350.7	286.9	268.2	323.2	
Accumulated from Jan. 1						
Cigarettes	Bil.	152.0	204.8	102.5	158.3	
Cigars and cigarillos	Mil.	969.9	1,256.8	571.1	894.4	
Invoiced to domestic customers						
Accumulated from Jan. 1						
Smoking tobacco	Mil. lb.	7.6			7.2	
Chewing tobacco	Mil. lb.	24.3			24.4	
Snuff	Mil. lb.	5.8			6.0	
Tax-exempt removals						
Cigarettes	Bil.	9.6	6.7	9.2	7.6	
Exports	Bil.	6.5	5.4	8.3	8.5	6.0
Cigars and cigarillos	Mil.	16.4	15.9	11.3	10.4	
Accumulated from Jan. 1						
Cigarettes	Bil.	28.5	35.2	19.1	26.7	
Exports	Bil.	23.4	29.9	15.2	23.8	29.8
Cigars and cigarillos	Mil.	40.4	56.3	21.8	32.2	
Invoiced for export						
Accumulated from Jan. 1						
Smoking tobacco	Mil. lb.	.2			.2	
Chewing tobacco	Mil. lb.	*			*	
Producer price indexes 5/						
Tobacco products	1967=100	237.1	237.6	255.3	255.4	268.4
Cigarettes (filtertip, king size)	1967=100	240.5	240.5	257.0	257.0	272.8
Cigars	1967=100	151.6	152.4	162.3	163.9	165.3
Smoking tobacco	1967=100	259.7	264.4	287.3	287.3	287.3
Plug chewing tobacco	1967=100	269.5	279.6	338.4	338.4	352.1
Snuff	1967=100	277.1	287.5	321.4	321.4	321.4
Consumer price indexes (urban)						
Tobacco products	1967=100	198.4	198.9	212.3	213.5	213.3
Cigarettes	1967=100	201.2	201.6	214.8	214.8	215.5
Other tobacco products 6/	Dec. 1977=100	116.3	117.2	126.5	128.0	129.6
Imports of tobacco (for consumption)						
Cigarette leaf	Mil. lb.	18.3	18.3	36.1	23.5	15.4
Cigar tobacco (leaf and scrap)	Mil. lb.	4.0	3.8	4.1	4.3	3.7
Other tobacco (leaf and scrap)	Mil. lb.	16.3	11.2	10.7	7.1	5.5
Accumulated from Jan. 1						
Cigarette leaf	Mil. lb.	53.3	71.6	61.7	85.2	100.6
Cigar tobacco (leaf and scrap)	Mil. lb.	10.6	14.3	10.6	14.9	18.7
Other scrap and tobacco NSPF 7/	Mil. lb.	37.7	48.8	17.2	24.2	28.8

See footnotes at end of table.

**STATISTICAL SUMMARY--CONTINUED**

Item	Unit or base period	1980		1981		Last data as percentage of a year earlier
		March	April	February	March	
Exports of leaf tobacco (farm-salea weight)						
Flue-cured	Mil. lb.	45.9	43.9	32.0	33.4	38.0 : 87
Burley	Mil. lb.	53.2	21.1	2.1	21.3	17.2 : 82
Maryland	Mil. lb.	.6	1.4	.5	.7	.3 : 23
Virginia fire- & sun-cured	Mil. lb.	.2	.2	.1	*	.1 : 51
Ky.-Tenn. fire-cured	Mil. lb.	.8	.5	.8	1.7	2.9 : 605
Ky.-Tenn. dark air-cured	Mil. lb.	*	.5	.1	.1	.3 : 65
Cigar wrapper	Mil. lb.	.5	.5	.4	.3	.1 : 27
Cigar binder	Mil. lb.	*	.3	.0	*	.2 : 52
Accumulated from beginning of marketing year 8/						
Flue-cured	Mil. lb.	429.1	473.0	371.2	404.6	442.6 : 94
Burley	Mil. lb.	73.7	94.8	13.5	34.7	51.9 : 55
Maryland	Mil. lb.	4.2	5.6	2.7	3.4	3.7 : 66
Virginia fire- & sun-cured	Mil. lb.	1.4	1.6	.7	.8	.9 : 53
Ky.-Tenn. fire-cured 9/	Mil. lb.	8.0	8.3	5.0	6.7	9.0 : 109
Ky.-Tenn. dark air-cured 9/	Mil. lb.	.7	1.4	1.2	1.3	2.2 : 153
Cigar wrapper	Mil. lb.	4.1	4.7	2.6	2.9	3.0 : 65
Cigar binder	Mil. lb.	*	2.9	.1	.1	1.8 : 62
Cigar filler	Mil. lb.	.1	.1	.1	.3	.4 : 522
Exports of manufactured tobacco in bulk and not elsewhere classified 10/	Mil. lb.	1.4	2.8	.6	1.3	1.4 : 50
Accumulated from Jan. 1	Mil. lb.	2.9	5.7	.9	2.2	3.6 : 64
		Quarterly data				
		1980		1981		
Stocks of tobacco--1st of quarter (farm-sales weight) 11/		Jan. - Mar.	April-June	Jan. - Mar.	April - June	
Domestic types						
Flue-cured	Mil. lb.	2,457	2,192	2,520	2,231	102
Burley	Mil. lb.	1,374	1,313	1,299	1,297	99
Maryland	Mil. lb.	41	37	33	27	73
Fire-cured	Mil. lb.	69	97	76	92	95
Dark air- and sun-cured	Mil. lb.	38	45	41	46	102
Cigar filler	Mil. lb.	61	72	56	73	101
Cigar binder	Mil. lb.	53	65	52	70	108
Cigar wrapper	Mil. lb.	10	8	7	6	75
Under Government loan 12/	Mil. lb.	766	772	752	710	92
Foreign types						
Cigarette and smoking	Mil. lb.	683	683	676	684	100
Oriental	Mil. lb.	343	342	316	332	97
Flue-cured	Mil. lb.	153	148	152	140	95
Burley	Mil. lb.	187	192	208	211	110
Cigar	Mil. lb.	91	91	87	86	95
Tobacco outlets 13/						
Seasonally adjusted data, annual rates, for charts, p. 2						
Cigarettes						
Production	Bil.	723.4	684.1	724.9	711.3	104
Tax-paid removals	Bil.	599.6	618.1	628.4	624.0	101
Cigar production						
Large	Bil.	4.07	3.92	4.01	4.00	102
Small	Bil.	1.42	1.53	1.66	1.53	100
Smoking production	Mil. lb.	32.4	30.6	30.5	29.1	95
Chewing production						
Loose leaf	Mil. lb.	75.2	76.4	70.8	74.9	98
Plug and other	Mil. lb.	33.0	35.1	37.1	38.6	110
Snuff production	Mil. lb.	25.4	24.5	26.3	27.0	110
Exports of leaf						
Total	Mil. lb.	540.4	520.4	476.1	416.0	80
Flue-cured	Mil. lb.	879.2	759.1	569.2	569.0	75

1/ 1980 and 1981 crops, respectively. 2/ Pricea paid by farmers including interest, taxes and wage rates. 3/ Seasonally adjusted. 4/ Seasonally adjusted, annual rate. 5/ Federal and applicable state and local taxes included. 6/ Includes tobacco accessories. 7/ Farm-sales weight equivalent. 8/ July 1 for flue-cured and cigar wrapper and October 1 for others. 9/ Includes Black Fat. 10/ Smoking tobacco in bulk through December 1977. Beginning January 1978 blended strips no longer included. 11/ Holdings of manufacturers and dealers, including grower cooperatives. 12/ Reported by grower cooperatives. 13/ Lateat quarter is estimated. \*Less than 50,000 pounds. Detail may not add due to rounding.

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## LIST OF TABLES

	Page
1. U.S. cigarette exports to leading destinations, 1979-81 .....	5
2. Cigarettes: Output, removals, and consumption 1970-81 .....	6
3. Cigars and smoking tobacco: Output, removals, and consumption 1978-81 .....	7
4. Tobacco products: Output, 1979-81 .....	8
5. U.S. tobacco exports by types and countries, 1976-81 .....	9
6. U.S. imports of unmanufactured tobacco for consumption and general, 1980-81 .....	10
7. Flue-cured and burley tobacco: U.S. supplies, disappearance, and prices, 1971-81 .....	13
8. Tobacco loan stocks, 1979-81 .....	14
9. Flue-cured and burley tobacco: Marketing quota and marketings, 1971-81 .....	15
10. Flue-cured tobacco: Effective farm quotas, designation and marketings, 1979-81 .....	16
11. Burley tobacco: Farm marketings by State and across-State-line movements, 1980 crop .....	17
12. Maryland tobacco: U.S. supplies, disappearance, and prices, 1972-81 .....	17
13. Fire-cured tobacco: U.S. supplies, disappearance, and prices, 1972-81 .....	18
14. Dark air cured tobacco: U.S. supplies, disappearance, and prices, 1972-81 .....	20
15. Cigar tobacco: Supplies, disappearance, and prices, 1972-81 .....	21
16. Cash receipts from tobacco, by States 1977-80 .....	23
17. Tobacco manufacturing corporations: Net sales, net income, profit ratios, 1971-80 .....	24
18. Unmanufactured tobacco exports, by types, to principal destinations, marketing years, 1979/80-1980/81 .....	25
19. Statistical Summary .....	26